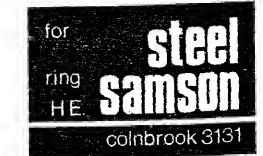
FINANCIALTIMES

LIBRARY Thursday January 3 1980 No. 28,057 CONTINENTAL SEILING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK R. 4.25; FRANCE Fr 4; GERMANY, DAI 2.0; ITALY L 700; NETHERLANDS FI 2.0; NORWAY R. 4.25; PORTUGAL Esc 35; SPAIN



NEWS SUMMARY

Turkish Sterling up 2.2c; army **Equities** 7.2 down leaders

BUSINESS

GOLD recorded its biggest

shadowed by the steel strike and the FT 30-share index

closed 7.2 down at 467.0, only

• GOLDS followed the rise in

bullion and the FT Gold Mines

© GILTS trading was below average and the Government Securities index fell 0.49 to

NORTH SEA oil prices are expected to be raised to over \$30 a barrel within the next few

days following new pricing levels; set by African producers.

BRITISH AEROSPACE is to join a major new European guided weapoos manufacturing

consortium set no by the UK

France and West Germany.

group the UK's largest motor

insurer is to raise premium retes by 12 per cent on

February 1, only six months after its previous revision. Page

• HOUSE prices are expected to rise only half as fast in 1980

as they did last year according

to the Abbey National Building

• TGWU water workers are

being halloted on taking industrial action over a pay offer

the NHS improves on-call pay

MILFORD DOCKS chairman

industrial life business with new

annual premiums advancing overall in 1979 by 27.8 per cent

(£12.4m), Page 14

Society. Page 5

month. Page 8

ACCIDENT

Back Page

Back Page

a shade above its 1979 low.

F.T. Gold

Index

• EQUITIES were

STERLING rose 2.2c from Monday to close at \$2.2420. Its trade-weighted index was unchanged at 70.2. DOLLAR lost ground with current uncertainty over events in Iran and Afghanistan and fell to DM 1.7120, sharply weaker than Monday's close of DM 1.7230. warning by the country's political parties resterday, and urged them to agree on measures to counter rampant Monday's close of DM 1.7250: Its trade-weighted index slipped to 84.6 (85.0).

The generals statement, which criticised the parties for squahbling, was read over the state-controlled radio.

While the generals did not one-day movement ever in Lonstate what they would do if the don to close at a record \$567.5, parties failed to co-operate, a rise of \$41 an ounce or nearly many. Observers expect the 8 per cent since Monday. in running the country if the internal crisis deepens. Back

Front criticism

Both wings of the Patriotic Front attacked Britain's administration of the ceasefire and election process in Rhodesia. They called for postponement of the February election and tomorrow's ceasefire deadline. Back page: Poll registration delay, Page 3

Republican held

Sinn Fein vice-president, Gerry Adams, 31, and another man, were arrested by troops and police in Belfast. Police sald they were found in a bonsa whose occupier was away.

Home sales row

Bitter argument is raging over the cost to Britain of proposals 1979 300 contained in the Housing Bill.
Opponents to the Bill Sir the tader lumped 18.2 to 288.5; its wide some disposal of council highest since September 16, houses will result in big losses. 1975

Man detained

Canadian police detained a man 64.61. aged 21 in connection with the fire at a club in the mining town of Chappais, in which at least 12.03 at 826.71 near the close. 42 people died and 50 were-

Earthquake toll

The earthquake at the Portuguese Atlantic islands of the Azores caused at least 33 deaths and left more than 408 injured. Portugal's President Eanes flew to Terceira island to survey damege.

Relief stopped

The United Nations' World Food . GENERAL Progremme has suspended emergency food shipments to Kempuchea because supplies alreedy sent have not been distributed. The organisation hopes to resume shipments in 6 February.

Indian election

Indians start voting today in a general election which could return Indira Gandhi, 62, to power after nearly three years. Back Page

Sailing aids

Satellite navigation aids for sailing boats are likely to generate much loterest et the 26th International Boat Show, which opens at Earls Court. London, today. UK company Thomas Walker took a film order for its equipment last night. Page 5

Lean year The annual tilt of the Leaning Tower of Pisa, Italy, is slowing Last year it moved less then 2 mm, compared with

Briefly . . .

4.6 mm in 1973.

Labour MP Dennis Skinner was criticisms of the company by a "satisfactory" in Chesterfield group of dissident shareholders Royal Hospital after falling are erroneous, lli-judged or satisfactory" in Chesterfield from his bicycle on a moorland misleading. Page 14

Ten people including seven PEARL ASSURANCE re-children, died in a fire at a ported an exceptional rise in its block of flats in Rotterdam, Guillermo Vilas of Argentine retained the Australian open to £40m (£31.3m) and single pretennis title, beating American miums up 63 per cent at £20.2m

CHIEF PRICE CHANGES YESTERDAY

| CHIEF LUIDE CHWGGEO | I MA I MITTER |
|--|--|
| (Prices in pence unless otherwis | a indicated) |
| Prices in pence unless viller with | E MARIE EF |
| TOTAL COLUMN | Union Crpn 605 + 55 |
| RISES | West Posts #291 + 2 |
| Abercom | Yaar Acers |
| Section Printing 52 + 3 | Western Deep 1107 T 15 |
| Abercom | Zambia Copper 48 + 9 |
| | |
| Angle Anierican /20 T 13V | FALLS |
| Anglo Amer. Gold £37 + 24 | Treas. 12pc 1984 £89 - 1 |
| Angio Amer. Guid | Barclays Bank 414 - 12 |
| Achien Mining 101 T | Date ava Date 10 255 - 10 |
| | Booker McConnell . 255 - 10 |
| 202 4 73 | Bowater 145 - 6 |
| Cons. Gold Fields 398 + 13 | Describer (F. T.) 140 |
| Conn Missolvent 300 T VV | Fairview Estates 180 - 10 |
| De Beers Dfd 455 + 32 | Fairview Estates 100 |
| De Beers Div gen 1 26 | 340 - 0 |
| De Beers Dfd 455 + 32 Deelkraal 269 + 26 | Grindleys Bank 120 - 12 |
| Dirban Deep£11; + 2; East Rand Prop£13; + 2; | Grindley's Date 1 738 - 9 |
| But Dond Prop £134 + 21 | GKN 174 _ 4 |
| Edst Name 110pt 785 + 110 | Nawker Siddeley 172 |
| East Rand Prop. £131 + 21 785 + 110 Harmony 222 + 32 | Tand Sacs 248 - 6 |
| Impala Platinum 213 | 226 - 8 |
| Tonnard Oil 80 + 16 | Metal 80% 200 - 19 |
| 232 + 22 | NatWest Bank |
| Lennard Oil 80 + 16 MIM Holdings 232 + 22 Rustenburg Plat 246 + 35 Rustenburg Plat 246 + 35 | Raca) Elec 1/0 - 8 |
| Rustenourg Plan 220 | manufact Throughputter 317 - 11 |
| South African Land 197 + 27 | 189101 WOODLESS - 6 |
| South African Land 197 + 27 Tanks Con. 272 + 22 | Thorn Elec. |
| Lange Court Court, Trans. | THE R. P. LEWIS CO., LANSING, MICH. LANSING, MICH. |

Full TUC support for steel strike

BY NICK GARNETT, LABOUR STAFF

a standstill throughout the British Steel Corporation support for the strike. Though yesterday on the first day of the strike by 100,000 members of has the majority of workers on

manufacturing industry.

under control of the ISTC and

closing proce of \$567.5 in

over Alghanistan triggered heavy demand for metals and mining shares on international

commodity and stock markets.

On the foreign exchanges. the dollar weakened to close at its lowest ever levels against

the Deutsche Mark, amid signs

of a further drop in U.S. interest rates. The West

the dollar with its heaviest

intervention for several weeks.

Sterling rose more than 2 cents

to \$2,2420. back to its highest

level since mid-September in

Silver gained £2.85 to a peak

of £17.25 per ounce on the London hullion market, up 20

per cent from New Year's Eve.

when It had already risen hy

record high, closing up \$65 compared with New Year's Eve

at \$750 per ounce. The surge in

precious metal prices sparked

sharp rises for copper and

London Metal Exchange.

hase metals on the

Platinum also reached

splie of the steel strike.

16 per cent.

other

yesterday as tension

GOLD SOARED \$41 to a record September 1975.

yesterday behind the national hetween Mr. Len Murray, its move BSC steel now in transit,

the Iron and Steel Trades Conthe docks end in road transport, federation and the National has not yet formally decided its Union of Blastfurnacemen.

The TUC is telling affiliated mend that drivers do not move

Steel imports generally contribeyed.

It is also issuing some advice timed to move through ports. Mr. Murray said that unions on picketing, which depending normally yesterday.

Were concerned to echieve a

ing with Mr. Bill Sirs, geoeral The TUC will advise unions secretary of the Iron and Steel that picketing must be kept Trades Confederation.

the Blastfurnecemeo's union by ASLEF, the train-drivers' the determinetion of The decision to do this union will instruct its members. Government to impose

halted trading in the most active stocks on the New York and American stock exchanges

Among shares in which

trading was suspended were Engelhard Minerals and Chemi-

cal, St. Joe Minerals, Asarco

and Homestake Mining. On the

interest rates. The West Paris stock exchange, afternoon ne was aware, and sold market was not something German Bundesbank supported quotations for gold hullion and sold market was not something the heaviest coins were suspended after the "which attracts the close attentions and sold market was not something the heaviest coins were suspended after the "which attracts the close attentions".

rise in the morning

unprecedented gains on the

Loodon hullion markets also

occurred in very thin conditions.

The dollar was under general pressure, dropping to DM 1.7130

out the day, buying \$24.5m at

Slock exchange

Gold soars to \$567.5

as metal prices surge

BY DAVID MARSH IN LONDON AND STEWART FLEMING IN NEW YORK

zesterday morning.

THE TUC put its full weight followed a meeting at the TUC not to handle steel imports or theoretical movetery policies on yesterday behind the national steel strike as union attempts general secretary, and geogral or miserial to or from BSC. to blockade all steel imports secreteries of unions in the Transport and restrict movement in Britain of public-sector produced steel intentified.

Iron end steelmaking was at a standstill throughout the British Steel Corporation support for the strike. Though the Transport Workers which the Transport

> Strike effects Page 5 Editorial Comment Page 12 Lex Back Page

unions that they should give materials in or out of BSC. It is uncertain how quickly maximum support to the dispersions, and that imported that direction will be transpute and to do nothing to steel should not be moved from mitted through the unions' jeopardise prosecution of the the docks.

on picketing, which depending normally yesterday.

on the extent to which steel
unions receive co-operation
from other unions will affect
the impact the strike makes on
the makes on the corethe impact the strike makes on
the makes on the corethe impact the strike makes on
the makes on the corethe impact the strike makes on
the makes on the corethe impact the strike makes on the corethe makes the corethe corethe makes the corethe c nice some of the facts of life." The dispute appeared to stem from the exceedingly rigid

The NUR, after the decision stand of the Government and by ASLEF, the train-drivers the determination of the

chairman of the Federal Reserve

"volatile and spoculative nature

of the gold market demon-

pusuitable instrument to serve

as any form of basis in a stable

international mooetary system.

Answeriog questions after an address to the National Press

Club, the head of the U.S.

Central Bank said that, as far as

has my full support," he sald.

John Wicks adds from Zurich: The Swiss Government

moved last night to clarify the

implications of its new tax on

that such transactions would be

Interbank dealing would be

unafferted by the measure and

the turnover tax was refund-

In New York, heavy huying Board, said yesterdey the of mining shares temporarily volatile and speculative nature

trading overseas."

geography was fairly narrow. The longstanding U.S. after the New Year break in Treasury policy of demonstrising New York and Europe. The the role of gold was one "which

from Mooday's 1.7250 and retail transactions on gold coins SwFr 1.5770 from SwFr 1.5950, and bullion. M. Francois The Bundesbank was thought Landgraf, secretary general of

The Bundesbank was thought Laodgraf, secretary general of to have purchased about \$150m the Swiss Finance Ministry, in support intervention through-said Tuesday's acnouncement

the midday Frankfurt fixing subject to 5.8 per cent sales alone.

Sterling fell against a num-international gold trade.
in her of European currencies, Interbank dealing we

negotiations, with the result that they have seized up," Mr. Murray said.

BSC, which has bad large losses, bas offered the steel unions 6 per cent, linked to productivity and other changes,

Uoion officials say thet picketing of private steel manufacturers is designed to ensure that this does not happen. The impact of picketing is

difficulty in stopping steel imports through small ports, particularly on the Eest Coast

U.S. bank cuts prime

By Stewart Fleming in New York

BANKERS TRUST of New York yesterday cut its prime rate from 151 per cent to 15 per cent to 15 per cent. This follows the lead of Cithank and some other leading U.S. hanks who have the prime rate in lowered their prime rates in mid-December.

easing in the cost of its funds However, some money market economists predict that shortterm interest rates could be firm in the early months of the year and that commercial and industrial lending, which slowed dramatically in November and December,

could strengthen. The view is in part based on the assumption that as the U.S. economy slows, corporate financing needs will initially revive because of weakening profits and the need to finance

with what it says is the pros-pect of a further 10 per ceot from local productivity deals. Although the unions do not

intend to interfere with production and distribution of steel from the private sector they say they will not accept private manufacturers' increasing production during the dispute.

likely to vary from area to eree and it is unclear how stockholders, some of whom were picketed yesterday, will be

The steel unions could have

Since then, bowever, the U.S. rommercial hanking industry has been split on what level is appropriate for the prime, with most major banks including Morgan Guaranty Trust, holding the prime at 151 per cent. Bankers Trust said an

SOVIET INVASION OF AFGHANISTAN

Carter looks at options

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

response to the Soviet invasion of Afghanistan.

Though officials flatly refused to speculate on what might emerge from the meeting, the options appeared to include: An appeal to the United

Netions General Assembly for a resolution condemning Russian aggression. This may in-cur the risk of the Soviet Union subsequently veloing any resolu-tion by the Security Council in favour of sanctions against Irau, if the current mission of Mr. Kurt Waldheim, UN Secretary-Geoeral, to Tehran fails to secure the release of the U.S. hostages.

A request to the Senate to defer coosideration of the Strategic Arms Limitation Treaty with the Soviet Union. Officially, the Administration still maintains that SALT should he viewed on its own merits. But the political climate for passing the treaty bas worsened materially as a result of the Afghanistan invasion. A cut io trade with the Soviet Unico, including the possible hanning of future grain

A symbolic gesture, such

PRESIDENT CARTER yester- as initiating a hoycott of this day conveoed a special session summer's Olympic games, dua of his scoior foreign policy and to he beld in Moscow. Theoretimilitary advisers in the While cally, since the Olympic Games House to draw up the U.S. are supposed to embrace individual, not national, competition, the U.S. Government could do no more than advise its citizens not to take part.

· An acceleration of shipments of military supplies to affected countries in the region, par-ticularly Pakistan, which the U.S. has promised to defend. There is coocern that such action could adversely affect U.S. relations with India.

The White House session is also taking account of the discussions beld by the NATO authorities on Tuesday, at which Mr. Warren Christopher, Deputy Secretary of State, sounded out the allies on a con-

certed epproech.

Meanwhile, the State Department dismissed as "a crude ruse to cover up Soviet imperialism" the charges published in Iszvestia, the Soviet newspaper, thet the Ceotral Intelligence Ageocy was actively supporting the Afghani insurgents. The Afghan rebellion, the

spokesman said, was clearly "the indigeoous and self susteining uprising of a fiercely indepen-dent people" and should in the future be seen as a reection "to the imposition of hrute military

Red Army spans borders

BY ALAIN CASS IN ISLAMABAD

SOVIET TROOPS are fighting - comes from the Moslem and down the length of the fronlier with Pakistan. They are under the command of a Moslem general from Tashkent.

In spite of Moscow's insistence that the Afghan army is doing most of the fighting against rebel forces it is clear that the Soviet invasion is meeting steady resistance both from the rebels and from onils of Afghan army, although most of it is confided to barracks.

The Soviet invasion appears to be hitterly opposed by most Afgbanis. The armed resistance hy Afghan troops, and a flood of about 400,000 refugees across lbe horder, reported from Pakistan is less a reflection of support for the late President Hafizullah Amin than a sign of entrenched opposition to foreign rule of any kind.

The fact thet the Soviel commander in charge - said to be Major-General Moussa Yevanov

their way across Afghanistan in republic of Uzbekistan on the en arc stretching from the Afghan horder reflects a deep border with the Soviet Union concern oo Moscow's part that subduing a country which has resisted foreign domination for centuries may require more than military muscle alone. Pakislani observers and flee-

ing Afghan refugees I spoke to

at the Kbyher Pass crossing inlo

Afghanistan yeslerday said that armoured units of the Soviet invasion force had clashed with rehels less than 50 miles from city of Jalalabad. Diplomats also report fighting

io the north, east and south-east of the country, though reports that Afghan army units and Continued on Back Page

| E in New York | | | | | | |
|--|---|--------------------------------|--|--|--|--|
| _ | Nec. 31 | Previous | | | | |
| Spot 1 month 3 months 12 months | 52,3130-2150 0,48-0,41 dis 1,26-1,10 dis 4,55-4,40 dis | 0.48-0.45 dis 1.16-1.10 dis | | | | |

Iran moves to withdraw funds

higgest one-day rises, with the remaining unchanged at 70.2. the turnover tax was re FT gold mines index closing at Jurek Martin reports from able for export sales. its highest level since Washington: Mr. Paul Volcker, Commodities news. Page

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT:

Gold mining shares in her of European currencles, London recorded one of their with its weighted depreciation

worth 13.1 per cent rejected hy union officials representing 33,000 manual workers. Page 6 yesterday that the move became • HOSPITAL laboratory techapparent just before Christmas, and seemed primarily to be a nicians will be asked to consider selective strike action in tha reaction by the Iranians against Mrs. Thatcher's statement of support for the U.S. in the emergeocy blood transfusion and pathology services unless crisis over occupation of the ment rates by the middle of the Tehran embassy.

It is known that the Bank of England bas held at least two meetiogs with senior manage-ment of British benks to discuss the implications of this development. The second of the known meetings, on Friday, was at the request of the clear-

Iranian funds on deposit with British banks in London are said to total about \$1hn, though one Iranian bankar considers this estimate too low.

IRAN IS seeking to withdraw said to be on deposit with the deposits from British banks, hig four London clearing hacks, Senior London bankers said Barclays, National Westminster. Midland; end Lloyds.

One London hanker closely concerned with Iran said yesterday that NatWest probably bad the largest amount of funds subject to withdrawal. Concrete evidence of the

Iranian move, which has been speculated about for some time. came yesterday from one of the major banks, which cooceded that Iran bad requested with-drawal of its deposits. The bank said that most of the funds affected were on short-term deposits of less than one year.

In line with the Bank of England's guidance in this matter, the banks are understood not to be allowing such deposits to he withdrawn hefore his estimate too low. their term expires. They do not More than half the funds are plan to block the withdrawals,

Mr. Ali Mavi-Rad, head of overseas finances at Bank Mar-kazi, Iran's central bank, told a U.S. news agency that Iran hed moved part of her estimeted \$13bn in overseas deposits from banks in Europe to other countries as a precaution against possible UN sanctions. It does not necessarily follow

liquidity

.First, it is thought likely that funds deposited with banks outside London will eventually find their way back through the Euromarkets.

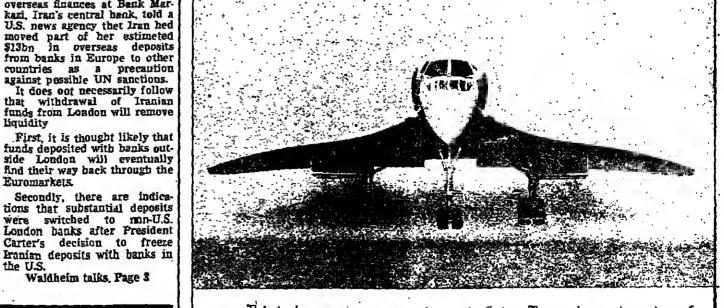
Secondly, there are indications that substantial deposits were switched to mn-U.S. London banks after President Carter's decision to freeze Franian deposits with banks in the U.S.

Waldheim talks, Page 3

| India's election: Mrs. Gandhi the person to beat | Lombard: the pros and cons of indexed bonds by Anthony Harris |
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| stronger international laws 10 | Survey: car bire19-22 |

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Paris earmarks £840m to soften oil price impact

BY DAYID WHITE IN PARIS

THE FRENCH Government is to pump FFr 7.5bn (£840m) worth of special credits into industrial investments this year in order to soften the impact of the latest oil price increases. The Cabluet at its weekly meeting decided to authorise

this beavy new injection from the State's specialised lending bodies, backing up a package of investment incentives hought out in April last year.

It said the measure was aimed at stopping investment programmes from running out of steam as the country's oil bill soars by about 40 per cent to an anticipated level of over FFr 100bn (£11.7bn) for the year. The funds are to be charyear. The funds are to be chan-nelled into investments for creating jobs. saving energy and increasing exports, the Government spokesman ssid.

At the same time, M. Raymond Barre, the Prime Minister, has commissioned a report on the

with joint proposals in March. Price increases on refined oil products. including petrol, are to be announced today, reflecting the series of crude price rises ensuing from last month's OPEC meeting in Caracas. Gas and electricity rates are also due to to go up. In addition the rise in rates.

likely to he more modest than those for gas and petrol. The French electricity generating board is to be giveo extra backing to help finance its nuclear programme. This includes a rise in state contribution and an improvement in the hoard's borrowing terms.

To gain acceptance decisions taken in the light of the oil problem. President Valery Giscard d'Estaing told bis Cabinet an " intense explanation effort" would be needed as well as compensatory social measures. As the first of these, taxing of oil companies. The special assistance to pensioners Ministries of the Budget and of and handlcapped people to offset Industry are due to come up the rise in energy prices.

Fewer easterners, more westerners visit Hungary

BY LESLIE COLITT IN BERLIN

HUNGARY, Eastern Europe's amount of food that visitors leading tourist country, reports last year in the number of east European shoppers visiting the country, mainly on one-day trips to buy products in short supply at home. However, there was a steep rise in tourism from the West that brought in amount of hard

of Polish and Czechoslovak shoppers have been attracted to Hungary in the past by the ahundance of consumer goods. Poles flew from Warsaw to huy the more fashioqable Hungarian clothiog as well as foodstuffs. Hungary put an end to this by introducing stringent ex age of their spending made up change regulations requiring of legally exchanged currency Czechoslovaks and Poles to chaoge larger amounts of their the tourist exchange rate for lnto Hongarian forints, thus making short stays unprofitable. Limitations

could take home. The drop in shoppers from eastern countries is expected to have led to a fall in the total

number of visitors in 1979 to 16m from 17m in 1978. The Budapest Review reports that the number of visitors from "capitalist countries" had risen 25 per cent to 1.9m by the end of October 1979. Of the total, 1.2m were tourists. The largest of the abolition of vlsa require-

ments for Austrian citizens. Hungary's hard currency income from western visitors rose 55 per cent. The review says one reason was that the percenthad risen. Hungary improved western currencles by 14 per cent last year, thus bringing the rate closer to the black market. were also imposed on the figure.

Austrians expect 50% cut in growth

By Paul Lendvai in Vienna

AUSTRIA'S ECONOMY will grow this year hy 2.5-2.2 per cent compared with the 5 per cent estimated for 1979, according to the Institutes for Ecocomic Research and for Higher Studies.

The rate of inflation is expected to rise from 3.6 per cent in 1979 to 4.75 per cent this year, and the visible trade deficit to increase from 59.5hn (£2.1bn) to Sch 72.4bn (£2.6bn). The shortfall on current account should widen from Sch 24.9bn tn Sch 31bn.

institutes' figures The represent a downward revision of fnrecasts made last September. The bigher fuel bill in the wake of the latest oil price increases is expected to he at least Sch 43hn-Sch 10bn np on the 1979 figure.

As a result of slower restrictive grnwth and hudgetary policy, real earnings are forecast to stagnate or possibly fall slightly. In contrast, investments in real terms should rise by 3.5 per cent and industry is expected tn increase capital spending by 13 per cent.

Unemployment, bowever, is thought likely to rise only marginally from 2 per cent in 1979 to 2.4 per cent this year. But the fact that the number of foreign workers will be cut by 10,000 should not be overlooked.

Compared to most other countries in Enrope, the Anstrian performance is still likely to be better than average. Last year, Anstria was foremost in terms of stability and growth. How-ever, both Chancellor Brano Kreisky and bis deputy, Mr. Androsch, Hannes situatlon

Speaking In a New Year radio hroadcast, Mr. Krelsky underlined that the maintenance of full employment and of the streogth of the Anstrian schilling will Anstrian schilling will remain the priority objectives of economic policy. Modernisation of industry and aid for the less developed bnrdcr regions have also been mentioned as important

Chilly New Year message for Hungarians

BY OUR VIENNA CORRESPONDEN'

HUNGARIANS HAVE been told real incomes. hy their leaders that they face frozen wages and static living standards for the foreseeable

vezi, Finance Minister, have said that only through restored economic equilibrium and a sustained increase in efficiency. The Government has repeatedly output and profitability can they warned that a great deal still hope for a further growth of

Speaking in the Budgetary the economy to changed interdebate in Parliament, Mr. Lazar warned that the new economic

regulators coming into force this year would weed out inefficient Mr. Gyorgy Lazar, the Prime year would weed out inefficient Minister, and Mr. Lajos Falu-producers and enforce a largescale re-deployment of labour. Economic growth this year is expected to be 3-3.5 per cent against 1-1.5 per cent last year.

remains to oe done in adapting added. national conditions.

harn currency trade deficit was self-supporting basis, investhalved last year compared with ments this year will he 20 per ire would be more " restrained ".

In accordance with the new

1978, and hinted that the councent down on last year's figure. After rises of 17 per cent in up by 3.7 per cent this year, Faluregi admitted that real following an unprecedented incomes this year would be 9 per cent jump in 1979, he slightly lower than in 1979. This

year, and probably for a few years after, Hungary would be austerity measures aimed at able only to maintain its already-Mr. Faluvegi said Hungary's putting the economy on a more achieven slandard of living taking the society as a whole

The Government had ordered a thorough supervision of the husiness activities of 31 enterin external borrowing during real wages and 21 per cent in prises and 22 large agricultural complexes, the Minister added. Several major State concerns had received financial assistance "to nvercome their problems."

Denmark's foreign debt rises

Denmark's net foreign debt rose from DKr 61bn to DKr 80bn (£6.76hn) in 1979, or to 23.4 per cent of last year's gross domestic product, provisionally estimated to he DKr 341bn, according to the Bureau of Statistics. The current balance of payments deficit rose from DKr 7.7bn in 1978 to DKr 15bn, writes Hilary Barnes in Copenhagen.

The GDP rose 3 per cent in real terms last year compared with 1 per cent in 1978. Imports rose 7 per cent, exports 8 per cent, public consumption 6 per cent and private consumption 2 per cent, while new fixed investment fell 0.5 per cent.

Industrial output is estimated to have risen hy 3 per cent. agricultural output by slightly price of crude oil. less and building and construction fell ahout 5 per cent. Unemployment was reduced from an average level of 7.4 per cent in 1978 to 6.2 per cent. Con-sumer prices over the year rosc almost 12 per cent

Reksten retrial bid

Norway's Attorney-General is to appeal against the acquittal last month of Mr. Hilmar Reksten on all major charges of tax frauds and violation of currency regulation, Reuter reports from Oslo. The Attorney-General's office said

Gibraltar election

A general election is to be held in Gihraltar op February until autumn next year. Our Gibraltar correspondent writes that the Chief Minister, Sir Joshua Hassan, has decided to call an election at a time when his Lahour Party is at its strongest ever in the Gibraliar House of Assembly.

W. German chemicals confidence

BY KEYIN DONE IN FRANKFURT

WEST GERMANY'S chemicals per cent of the industry's total 1979. industry is entering 1980 con-production. fidently, with order books stand-ing at a bigh level. Some of the major companies in the industry, Hoechst, Bayer and BASF bave enjoyed their second best year of the decade with sales booming and profits staging a sharp recovery.

The West German Chemical Industry Association says that sales for the entire sector bave hroken the DM 100bn (£26bn) barrier for the first time. The production: value of chemicals sales rose in 1979 hy some 15 per cent compared with 1978. Much of the increase was

caused by surging demand for products. ...as customers built up stocks ahead

some 25 per cent to reach a value of about DM 25bn.

were under severe pressure in much of 1978, contributed a lot to the industry's higher figures. But there was also a 6 per cent real growth in the volume of

The higher level of capacity utilisation led to a direct improvement in the chemical industry's profitability, said the association, particularly for high volume products.

Chemicals prices rose anarply of price increases arising from during 1979, with the indostry's the series of rapid jumps in the price index increasing by an average of 7 per cent. But the

Despite the present high level At the same time, imports of order books, the chemicals chemicals also rose sharply by association sounds some warning notes shout the development of the industry in the second Price rises during the year, half of next year. Rising oil particularly for petrochemicals prices will lead to a slowing of products such as plastics, which growth in both domestic and foreign markets, and the present high level of customer stocks adds a major factor

uncertainty. Compared with the heavy organic chemicals sector, consumer products have shown a rather slower growth during 1979. . Sectors such as pharmaceuticals, cosmetics, detergents, and paints have all shown growth rates helow the average for the industry.

Pharmaceuticals has had to rely for much of its growth on export markets, with foreign The biggest contribution to industry warned that companies sales rising by some 14 per cent the growth of the general had still not passed on the entire in the first nine months of last industry came from exports, increases in raw materials costs. year compared with the same which increased by some 20 per The price of naphtha, the period in 1978 to reach a value sales rising by some 14 per cent which increased by some 20 per The price of naphtha, the period in 1978 to reach a value cent in 1979 compared with major oil feedstock for the of DM 3.7bn (£970m). Pharma-1978, to a valution estimated at mannfacture of hasic petro-ceuticals imports rose during some DM 44hn (£11.5bn) chemicals had increased by the same period hy 16.4 per Exports accounted for about 43 more than 100 per cent during cent to DM 2.2bn.

D-mark up 3.7% over year

By Our Frankfurt Correspondent

THE DEUTSCHEMARK appreciated in value by 3.7 per cent during 1979 aginst the currencies of West Germany's . 22 leading trade pariners, the Bundeshank, said yesterday. The major appreciation was shown against the Japanese Yen, which has fallen sharply on foreign exchange markets in recent months. Over the last 12 months the value of the yen has fallen by 29.9 per cent.

The relatively strong performance of sterling during the past year means that this was one of the few currencies to record a gain against the D-mark during 1979. The D-mark Deutsche Mark was effectively devalued against sterling by 3.6 per cent over the past 12 months as a result of sterling heing huoyed up by rising oil

The value of the D-mark increased against the U.S. dollar hy 5.6 per cent, and this process has continued in the first dealings of the new year with the dollar being marked down to \$1.71 on the Frankfurt foreign exchange markets.

Within the European monetary system the D-Mark showed an average gain of 23 per cent against other member currencies with the strongest appreciation shown against the Danish krone in a rise of 11.7 per cent,

 The West German federal railways plans a DM 700m-DM 750m loan to be issued on the domestic bond market next week, officials of the railways finance division told Reuter in Frankfurt

The West German Industry Federation meanwhile, says increasing foreign trade burdens on the economy, mainly from rising oil prices, will reduce the room for growth this year. In an economic forecast, it said the outlook for economic and social progress was good, how-ever, if everyone was prepared to renounce excessive demands.

Call for 21 to

be tried over

Moro tragedy

following a "generally good" portant part of the Dutch eco- cent after a decline in 1979 of Finance Minister, bave warned that the country's that should the Supreme Court 1979. Stocks bnilt up by custonomy accounting for 13 per cent 2 per cent. single nation increase was from reject a retrial, the Attorneymers last year to cushion against political and economic of industrial turnover and 18 economic Austria-up 280,000 as a result General would seek a retrial deteriorate.

forecasts a slow-down this year uncertainties will probably be drawn on in 1980, said Mr. Eppie Ter Horst, chairman of the chemical industry associa-

BY CHARLES BATCHELOR IN AMSTERDAM

Volume sales are expected to up 19 per-cent last year to ahout Fl 25hn (£5.9hn).

Investments are expected to decline to FI 1.31bn (£310m)

THE DUTCH chemical industry from Fl 1.34hn last year. The unchanged in 1980. Cosmetics chemical industry forms an im- sales are expected to fall 1 per per cent of all exports. The most successful chemical

Dutch forecast a slower 1980

sector in 1979 was pigments and dyes where volume growth was 15 per cent. Volume sales this per cent in 1979, while plastic mediate products, sales will locrease by 3 per Chemical produ

A major problem facing

chemical companies is the price of naphtha which has doubled in the past 12 months. The industry has been able to pass on these higher costs in prices but year are expected to be un- it is unclear whether it can changed, however.. Organic pro- continue to do this. Naphtha rise by only 2-3 per cent this ducts sales will rise only 1 per now accounts for 85 per cent of year following the 6 per cent cent this year compared with 12 the price of chemical interrise in 1979. Cash sales went per cent in 1979, while plastic mediate products.

sales will locrease by 3 per Chemical producers also face cent compared with 10 per cent. a shortage of skilled production Sales of pharmaceuticals fell workers despite the high level 4 per cent last year but will be of unemployment

Giving a push to the Community's transport development

"transport infrastructure" usually sparks a rush for the door in the European Ecocomic Commission.

But Britain's demands for a substantial reduction in its expected £1,2hn net contri-bution to the EEC's 1980 hudget will probably bring the subject closer to the limelight.

This will be gratifying to Mr. Richard Burke, the EEC Transport Commissioner, who has been trying to generate interest for three years. Ao indication that his perseverance was paying off came in Novem-ber when the Commission published his long-awaited Green Paper.

A seed had been sown, for a

AN INVITATION to discuss structure as an area in which Community spending in Britain might be boosted. Spending on coal and agri-

culture was also mentioned hut It was the opportunities in transport which received the least tepid reception from leaders of the Nine.

The summit's final com-munique ordered the Commission to undertake a deeper examination of the possibilities of channelling more Community funds into Britain io the areas of coal, agriculture and . . . transport restructuring.
That the summit did not

throw transport out on its ear was significant because the only EEC grants in this area are through the European Regional Development Fund, which limits week later the Commission both their geographical scope finalised a document for the and their financial size: throughheads of government summit in out the Community they add up enthusiastic because they see Duhlin naming transport infra- to only about £35m. At this no immediate financial advan-

level they could make little dent in Britain's EEC budget deficit, which means heads of government may have bad something else in mind.

If so, this could he an oppor-tualty for Mr. Burke to breathe life into a Commission proposal first tabled in Juna 1976. It provided for a fioancial regulation to allocate a specific section of the Commission's hudget for projects which are of special importance to the Community but which founder on lack of national interest or on the unwillingness of national govern-

ments to provide funding. The proposal did not take off, mainly for political reasons. Adding a new expenditure sec-tion to the Commission's hudget upsets some countries because adds to the powers of Others Brussels.

tages to themselves; the West Germans are wary because they know they will have to carry a heavy share of the cost.

But .: Mr. Burke's Irish enthusiasm is bubbling because the events of recent weeks offer bim an unprecedented oppor-tunity to mobilise political support behind his goal of greater Community involve-ment in developing transport Infrastructure. He has support in the Euro-

pean Parllament. The controver-sial amendments to the draft 1980 budget which culminated in confrontation with the Council of Ministers and Parliament's eventual rejection of the entire budget included a modest £32.5m for traosport spending. This was a Partiamentary gesture designed to underline its desire to weaken the dominance of agriculture in

the EEC budget.
Thus, there is a possibility that when Parliament and the Council agree on a compromise budget a sum may be earmarked for new transport links.

Commission's proposed financ-ing regulation legally empowering the Community to fund certain projects.

Equally important will he the delicate behind-the-scencs nego-tiations to settle the British problem. Mr. Burke's dreams probably include a heads-of-government summit in March, committing the Nine to adoption of the financing regulation as part of a solution to the wrangle with Britain. This would make real the

possibility of EEC involvement in financing a Channel hridge or tunnel. In seeking to define transport links in which the Commission could become involved, Mr. Burke's Green Paper dutifully presented a list of projects which offered benefits to each EEC member. The project selected for a

study by the consultants Coopers and Lybrand to belp

define criteria for determining community interest in various schemes is the various alternatves for a cross-Channel link. The Coopers and Lyhrand work is to help determine the Community advantages in such a link, not to decide the relative desirability of one scheme over another. British Rail and SNCF, the French national railway, have already produced a joint plan for a tunnel. Thus Britaln's desire for more EEC money, a measure of Anglo-French agreement on a project

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The andoned Channel Tunnel (right) is one transport project which EEC Commissioner Richard Burke (left) bopes may receive Community support

This would give a strong push to Mr. Burke's efforts to persuade the Nine to adopt the common transport add developing transport links Commission to produce a more cradible common transport add developing transport links policy as mandated by the to the Commission's hudgetary Treaty of Rome may yet con-

But it is too early to conclude action or slow progress.

ROME - An Italian prosecufor yesterday demanded that 21 people be hrought to trial on charges related to the kidnapping and killing by Red Brigades terrorists of Sig. Aldo Moro, the former Prime Minister. At the same time, he urged that the case against three Left-

wing intellectuals, Prof.
Antonio Negri, Sig. Franco
Pipermo and Sig. Lanfranco
Pace, he separated from the
trial of the others to allow
deeper investigations. The three are alleged to be the ideological hrains hehind the terrorists who kidnapped Sig. Moro in 1978 and killed him after 54 days' captivity.

Sig. Guido Guasco, the proseeutor, asked that six people be brought to trial for both the ambush in which Sig. Moro was seized hy gunmen wha killed his five bodyguards, and his later assassination.

To the Holders of

Phillips Petroleum International Investment Company

NOTICE OF REDEMPTION

6% Guaranteed Sinking Fund Debentures Due 1981 Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debenlures were issued. Morgan Guaranty Trust-Company of New York; as Trustee, has selected for redemption on January 15, 1980, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, \$820,000 principal amount of the above-described Debentures, each in the denomination of \$1,000 bearing the serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits: 01 10 13 17 31 38 40 41 57 59 60 65 70 71 80 84

Also Debentures bearing the following serial numbers: 5335 6336 7135 7535 12635 14835 16935 19235 22835 24135 5535 6835 7335 10136 13935 16435 19035 21435 23335 24935

On January 15, 1980, the Debentures designated above will become due and payable in such coin or curreous of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (h), subject to any laws or regulations applicable thereto in the country of any such offices, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris, or Banca Commerciale Italiana in Milan or Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due January 15, 1980 should be detached and collected in the osual manner. Payments at the offices referred to in (h) above will be made by check drawn on a bank in The City of New York or by transfer to a dollar account maintained by the payee with a bank in such City.

On and after January 15, 1980 interest shall cease to accrue on the Debentures berein designated Phillips Petroleum International Investment Company

Dated: December 13, 1979

NOTICE The following Debentures previously called for redemption have not as yet been presented for

ENI:

4 4751 7872 7703 8833 10445 12221 15267 15064 16429 17054 17149 17515 19755 20268 21956 14826 7689 7705 8854 10448 13989 15269 16066 16432 17085 17173 18526 19786 20289 21358 5 4968 7690 7904 8894 10467 13994 16036 16067 16436 17061 17181 18667 20108 20311 23962 7662 7693 8208 8995 10469 13995 18048 16294 16995 17062 17203 18669 20114 20314 21964 17665 7694 3611 9348 11203 14051 1649 16295 17003 17066 17203 19714 20265 21403 12965 7667 7695 5614 9426 11314 14086 16054 16297 17048 17067 17229 19783 20266 21433 21967 37669 7697 8769 8815 11315 14108 16084 16421 17049 17063 17308 13755 20267 21508 21969

AVCO FINANCIAL SERVICES ACOUIRE RED DRAGON SECURITIES

Avco Financial Services Limited ("A.F.S.") announces the acquisition of Red Dragon Securities Limited ("RDS"). In making the announcement William A. Barrett, Avco's Vice President and General Manager said
"We are pleased to have this fine company in our group and

welcome their employees to our team. We are looking forward to expanding all of RD's banking activities in the U.K." Avco has given assurances to the vendor, (the T. Cowie Group) that the interests of staff, customers and depositors will be

fully safeguarded. A.F.S. Ltd. is a wholly owned subsidiary of Ayco Financial Services Inc. (AFS Inc.) whose headquarters are in Newport-Beach, California, U.S.A. the British Company currently has in excess of £28 million in outstanding receivables and a network of 76 branch offices located throughout the U.K.

The parent AFS Inc. with nearly 3 hillion dollars in

receivables is the world's third largest consumer finance company, operating from more than 1,000 branch offices in 5 countries: U.S.A., Canada, Australia, Japan and U.K. employing more than 10,000 people.
In addition to its consumer finance business, AFS Inc. owns two large insurance groups Avco Financial Insurance Group and

the Paul Revere Life Insurance Group. Other major subsidiaries include Cartan Travel Inc., the U.S. based tour operator, which this year opened its first U.K. branch office. RDS provides banking services, and its main activity is secured lending; currently with almost 7,000 customers and depositors. The long and fine experience of RDS in this field. and the expertise of its team of employees will dovetail well with

the successful lending operations of AFS Ltd. It is annicipated that this combination of skill, together with the financial resources of an international company will provide an excellent base for the further U.K. expansion of the Avco Financial Group:

FINANCIAL SERVICES LIMITED ms OXFORD ROAD, READING. Tel-READING 595234.

BASE LENDING RATES

A.B.N. Bank 17 % Hambros Bank 17 % Allied Irish Bank 17 % Hill Samuel 517 % American Express Bk. 17 % Julian S. Hodge 18 % Hongkong & Shanghai 17 % Henry Ansbacher 17 % Hongkong & Shanghai 17 % Hongkong & Shanghai 17 % Industrial Bk. of Scot. 17 % Hongkong & Shanghai 17 % Industrial Bk. of Scot. 17 % Keyser Ulmann 17 % Keyser Ulmann 17 % Knowsley & Co. Ltd. 18 % Bank of Credit & Cmce. 17 % Lloyds Bank 17 % Lloyds Bank 17 % Bank of Cyprus 17 % Edward Manson & Co. 18 % Midland Bank 17 % Edward Manson & Co. 18 % Midland Bank 17 % Samuel Montagu 17 % Samuel Montagu 17 % Samuel Montagu 17 % National Wesiminster 17 % National Wesiminster 17 % Banque du Rhone et de
la Tamise S.A. 17 %
Barclays Bank 17 %
Bremar Holdings Ltd. 18 %
Brit Bank of Mid East 17 %
Brit Bank of Mid East 17 %
Canada Perm't Trust 17 %
Cayzer Ltd. 17 %
Cedar Holdings 17 %
Charterhouse Japhet 17 %
Charterhouse Japhet 17 %
Charterhouse Japhet 17 %
Consolidated Credits 17 %
Co-operative Bank 17 %
Co-operative Bank 17 %
Corinthian Secs. 17 %
The Cyprus Popular Bk 17 %
Duncao Lawrie 17 %
Eagil Trust 17 %
E. T. Trust Limited 17 %
First Nat. Fees Ltd. 18 % National Westminster 17
Norwich General Trust 17
P. S. Refson & Co. . . 17
Rossminster Rossminster 17 Ryl. Bk. Canada (Ldn.) 17 Schlesinger Limited 17
E. S. Schwab 17
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Standard Chartered ... 17 %
Trade Dev. Bank ... 17 %
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Whiteaway Laidlaw ... 17 %
Williams & Glyn's ... 17 %
Workshire Bank ... 17 % E. T. Trust Limited ... 17 % Members of the Accepting Houses Committee.

First Nat. Fin. Corp ... 181% Committee.

First Nat. Secs. Ltd. ... 18 % The Accepting Houses Committee.

7-dey deposits 15% 1-month deposits 15% 1-month deposits 15% 7-dey deposits on sums of £10,000 and under 15% up to £25,000 15% 6 and under 15% 0 amand deposits 15% 7

MY SIMON HENDERSON IN TEHRAN

neen made towards resolving The generally accepted the issue of the U.S. hostages analysis of the power division held to Tehran: held in Pehran:

Dr. Waldbeim had a three-hour meeting with Mr. Cottradeh in the morning. The dinister said afterwards that the UN Secretary General now understood Iran's point of view.

An afternoon visit to a con-valescent home to see people who had suffered under the Shah's regime was delayed because of a demonstration. High school students supporting the militants holding the hostages at the U.S. embassy had called for the demonstration, saying that there should be no negotiations with the UN

Dr. Waldheim's itinerary for today is not known but it seems that his trip is likely to become the fact-finding mission that the Iranians have called it.

TALKS: Deliveen Dr. Kurt Tran has insisted throughout Waldbelm, the United Nations on seeing the crisis as a struggle Waintern gare Onted Nations on seeing the crisis as a struggle Secretary General, and the to free itself of the legacy of franian Foreign. Minister, Mr. past U.S. policy towards Iran. It Salegh Outbradeh, were desappears that if Dr. Waldheim is cribed as satisfactory by the to make any progress he will franian side yesterday But at have to learn about the split the end of Dr. Waldheim's first power structure in Iran as well sull day to the Iranian capital as the history of the country's little progress appeared to have arguments with the U.S.

> at present sees Ayatollah Khomeini as isolated by the ruling Revolutionary Council during Dr. Waldheim's visit. The council is thought to be anxious to find a way of releasing the hostages so as to defuse the crisis. Yet the Ayatollah is capable of damning the visit

The Revolutionary Council seems to be trying to avoid that fate by not allowing the Ayatollah to make a comment. Two council members have told journalists that Khomeini is not prepared to meet Dr. Waldheim but have refused to allow themselves to be quoted, and have discouraged the story in the mestic Press

A foreign news agency which rang up the Ayatollab's office in Qom and gained the same in-formation, found itself under criticism from the Foreign



Dr. Waldheim: delayed by demonstration

Ministry for carrying the story. Dr. Mohammed Beheshti, secretary-general of the council, held a Press conference vester day at which he did not mention the return of the Shah as a condition for the hostages' release. Using words described by reporters as "very vague," he said the creation of a real possibility of a trial of U.S. policy in Iran, the Middle East and the Third World would belp.

it is not known how long Dr. Waldheim intends to stay before returning to New York for a Security Council meeting next Monday at which the imposition of economic sanctions against Iran is to be discussed again. But given the difficulties, a diplomat in Tehran was still able to describe himself yesterday as cantiously optimistic about the outcome of the Waldheim visit.

Patricia Newby reports from Canberra on Australia's prospects for the 1980s.

Fraser hopes to strike it lucky

THE AUSTRALIAN Govers capacity from the present ment has unveiled plans for 257,000 tonnes a year to 2.5m abundant coal reserves in the prices rise.

governments and the federal been extended to 1984. Government have agreed to ago for infrastructure projects. A feasibility study is already previous financial year, under way into the electrification of the Sydney-Melbourne to attract foreign investment

to capitalise on the expected broadening the industrial hase dramatic increase in the demand and providing employment for Australian coal both opportunities, domestically and internationally. Much of the development will believe these developments have focus on Australia's largely un- a sound economic basis, the steam-coal which are suitable for power generation. Long-term export contracts for coking coal used in the steel industry have already been written and Japanese Steel Mills are currently considering opening on the theme of "Australia—the another coking coal mine in lncky country." Mr. Fraser Australia.

Part of domestic demand will come from plans to increase

development of the country's tonnes by the end of the 1980s. Mr. Malcolm Fraser, the Prime 1980s to provide power for Minister, is anxious that the infrastructure projects and to country's development in the meet international demand for next decade should out be alternative energy sources as oil bindered by lack of energy. Tax concessiona for industries con-The six Australian state verting from oil to coal have

. At the same time a survey of borrow ahroad A\$ 800m 74 mining companies by the (£400m) for coal-fired power Australian Mining Industry generating projects in addition. Council shows that the industry to A\$ 1.7bn which the govern- expects to spend A\$1bn in ments agreed to borrow a year capital works requiring energy, a 22 per cent increase over the

and operations in Australia to The strategy for the 1980s is make use of cheap energy,

Although most commentators Fraser Government is extracting the maximum mileage out of them with unemployment likely to be an issue in the next federal election Mr. Fraser and his Ministers

have made six speeches recently lncky country." Mr. Fraser described the 1980s as exciting decade that will see development and investment un-Australia's aluminium smelting paralleled in our country."



Mr. Malcolm Fraser: aid to election prospects

He said Australia entered the decade with abundant resources, nearly 70 per cent sufficiency in oll, a lower inflation rate than the average of members of the Organisation for Economic Co-operation and Development and the country's competitive than they bad heen that. for many years, Mr. Fraser aaid.

In the stock market the allordinaries indices on the Sydney bave risen to new peaks in the past few weeks. The tide of capital outflow in September and October reversed

in November despite higher interest rates in Britain and the U.S. There was a balance of payments surplus last month after deficits in September and October and nnemployment fell nnexpectedly for the first time for two years to 5.4 per cent of the workforce.

which the Government wants to imhue the people is belped by The Industries Assistance higher interest and the control of the c higher international reserves, countries of the Association of South East Asian Nations (ASEAN), which offers expanded markets for industrial goods, and bumper wool and wheat production.

However, while not denying After several years of recession, many Australians are only as it faces the 1980s, some commentators have suggested that

Financial Review, described Development and the country's Australia in his recently pub- Western trading partners. Exports were lisbed book "Poor Little Rich fruition.

up about 17.4 per cent this Country" as a "willing quarry year, imports were down and for the rest of the world during Australian industries were more the 1980s, but little more than

Mr. Walsh and others say that the development planned for the 1980s will not remove unand Melhourne stock exchanges employment as most of the projects envisioned are capital intensive. It is predicted that divisions may develop within society between the employed and the jobless leading to social

tension and a rise to crime. Australia's political stability is contrasted with its poor record on industrial harmony and there are indications that the 10 per cent inflation rate will rise because of prospects of The mood of optimism with a wage push following several

Commission and the Institute of Applied Economic and Social Research have gloomily forecast that Australia's high tariffs on manufactured goods are leading to a distorted industrial base that will never be competitive in world markets.

After several years of reces Fraser's lucky country theme and to believe in coal-powered all that glisters is not gold, and to believe in coal-powered Mr. Maximilian Walsh, man- and even diamond-studded aging editor of the Australian future-if enconraging reports of diamond discoveries in Western Australia come to

Rise of 47% expected in Bahrain's oil income

BY OUR BAHRAIN CORRESPONDENT

BAHRAIN'S oil income is expower is projected to increase pected to rise 47 per cent by 13 per cent to 21,500 by 1981. 1981, according to the second Capital spending, at \$790m, two year Budget presented by shows an increase of only 8 Mr. Ebrahim Abdul Karim, per cent over the last Budget Minister of Finence and ellocation. But a further in-National Economy. Oil now projection of funds into the vides 70 per cent of total economy will come from various revenue, against 60 per cent in Government associated projects.

The Day of the state of the sta

But as production from the pansion for Bahrain's altiminium But as production from the pansion for Bahrain's aluminium Bahrain field falls by 5-6 per smelter, the \$350-\$400m petrocent a year, more reliance will chemicals plant in parinership be placed on Bahrain's half—with Kuwait, and \$500-\$120m share of income from Sandi aluminium rolling mill in partarbaic Arabia's Ahn Safa field. This already accounts for 54 per cent These will be manded partly of the \$1.25nn: (5570.7m) contribution from oil—

At Bahrain dinars 680m Intrastructure projects (\$1.85n), the Budger is 21 per already underway will use up cent bigger than two years ago. Of this, \$1hn is allocated to record the same statement of the same should be distributed among new product same same should be distributed among new products accounting for 55 \$210m, housing \$160m, roads per cent. Civil Service man. \$45m, and education \$34m:

Refugee ship not part of a conspiracy

HONG KONG - The captain and four crew members of the freighter Skyluck, which brought 2,642 Vietnamese refugees to Hong Kong last year, were acquitted of conspiracy charges yesterday.
The five, all Taiwanese, were accused of conspiring defraud the colony's Government by making false state

The Hong Kong-owned Skylnck arrived last February. The authorities refused to admit the refugees and the vessel remained anchored off Lamma Island, west of Hong Kong, until June 29. The refugees then cut the sucbor chains so as to beach the freighter.

The court acquitted the cap tain, Hsiao Hune pin, 42, and crew because it found intention was to take the refugees to the Philippines, not to Hong Kong, Renter

5% rise in Israel GNP for second year running

ISRAEL'S gross national pro- of a slump in diamond sales. duct rose by 5 per cent in 1979. Other industrial exports jumped for the second year running. Inflation reached 115 per cent. and the balance of trade deficit increased by \$730m to \$4.14bn; according to figures issued by. the Central Bureau of Statistics.

Private consumption grew by 7 per cent and public consump-tion declined by 3 to 4 per cent due largely to a reduction in defence. Imports.

Exports Increased by only 1.6 per cent in real terms as a result less than 90 per cent.

by 20 per cent. The overall rise in exports compares with an 12 per cent in 1977 and 16 per cent in 1976.

The drop in the value of the Israeli pound failed to match the rise in inflation. Even sterling, which appreciated most vis-a-vis the Israeli pound, increased in value by less than 100 per cent, and the dollar by

Bid to tighten grip on Arab land

BY DAVID LENNON IN TEL AVIV-

ISRAEL is seeking to tighten its presentation to the Cabinet, and planned aettlements. legal controls over privately-owned Arab land in the occupied territories in a way which will fall just short of the outright 'annexation' ruled out by the Camp David agreement.

Mr. Shmuel Tamir, Minister was preparing "a wide range of options" for changing the legal status of private Arab land on

the West Bank and Gaza Strip. Eilon Moreb settlement was Knesset over the Cabinet's decito prepare these options for illegally would affect existing of Eilon Morch.

which in a few weeks, is due to debate the legal statua of the settlements in the occupied territories.

Mr. Tamir announced the move at a meeting with a group of Knesset (Parliament) memof Justice, said yesterday that bers who want to ensure the ments. "The aim is to prevent the Government's legal adviser future status of the settlements. problems in the future." They are concerned that the legal precedent set by the Supreme Court ruling that the

The Cabinet would study the options and decide the political consequences, of each, the Minister added,

His intention was to ensure that Jewish settlements could continue without legal impedi-

The Government coalition yesterday easily defeated noconfidence motions in the The legal adviser was asked established on land selzed sion to postpone the evacuation

Rhodesia poll registration delay

BY MARK WEBSTER IN SALISBURY

THE 11 political parties which may be obliged to change their elections but subsequently lost have registered for the Feb name.

The political parties which may be obliged to change their elections but subsequently lost some to describe to other parties.

The most significant defection between the most significant defection from UNAC was by Mr. James they wish to use for the hallot. having at best a change of the 80 with him to form the Zimbahwa

cide whether it will stand as one party, or whether the two wings — Mr. Robert Mugabe's Zimbabwe African National wings — Mr. Robert Mugabe's ing for the two wings of the Zimbabwe African National Patrione Front. They did not Union, and Mr. Joshua Nkomo's contest the April 1978 internal Zimbabwe African People's settlement elections but they Union - will stand indepen-

The parties originally had lag up one or two of the 80 until December 31 to register. Many of the parties display registration was necessary to allow the Patriotic Front to deport the parties of proportional representation. counting on the system of pro-portional representation.

The biggest unknown factor in the election will be the back-

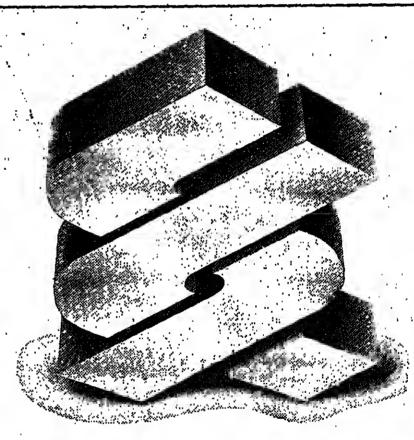
are thought the bave consider-

Confusion also exists over the The largest of the remaining fact that there are two ZANU parties is the United African parties -- one claiming loyalty National Council, led by Bishop to the Rev. Ndabaningi Sithole Abel Muzorewa, the former and the other to the Patriotic Prime Minister. He gained 51 Front. One or both of them of the 72 black seats in the April

from UNAC was by Mr. James Chikerema who took eight MPs with him to form the Zimbahwe Democratic Party. He will fight the next elections indepen-

Two moderate black parties which contested the April elections are standing again in February, but are not expected to do well. The United National Federal Party led hy Chief Kayisa Ndiweni won nine seats in April, but will meet stiff opposition from the returning ZANU wing of the Patriotic

Chief Jeremiah Chirau's Zim-babwe United People's Organisation did not actually win any seats in the last ballot but came close in aome constituencies.



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NOTICE OF REDEMPTION To the Holders of

ENTE NAZIONALE IDROCARBURI

E.N.L (National Hydrocarbons Authority)

61/2 % Sinking Fund Debentures due February 1, 1982

NOTICE IS HEREBY CIVEN that, pursuant to the provisions of the Sinking Fund for the Deben-tures of the above described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on February 1, 1980, at the principal amount thereof \$1,006,000 principal amount of said Debentures, as follows: Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Rearing Serial Numbers Ending in the Following Two Digits:

Also Outstanding Dehentures of Prefix "M" Bearing the Following Serial Numbers:

On February 1, 1986, there will become and be due and payable upon each Debauture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment therein of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (h) subject to any laws and regulations applicable thereto Broadway, New York, N.Y. 10015, or (h) subject to any laws and regulations applicable thereto offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale liabans in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algenteoe Bank Nederland N.V. in Amsterdam or the main office of Krediethank S.A. Luxembourgeoise in Luxembourg-Ville.

Amsterdam or the main office of Krediethank S.A. Luxembourgeoise in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due February 1, 1980, should be detached and collected in the usual maoner.

From and after February 1, 1980, interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY

OF NEW YORK, Fiscal Agent

December 27, 1979

The following Dehentures previously called for redemption have not as yet been presented for payments

DEBENTURES OF U.S. SLOOD EACH

Japanese

watches

By John Lloyd

Association

for the year.

'make more

than Swiss?

JAPAN HAS produced more

watches in the past year than

Switzerland, according to the

managing director of the Japan Clock and Watch

Mr. Yoshinori Shirakawa

said in Takyo last week that nutput from Japan was

nutput from Japan was expected to be about 59m.

pieces by the end of 1979.

By contrast, he estimated that

would turn out less than 50m

the Swiss manufacturers

Mr. Shirakawa said that the

estimates of Swiss production

were based on the assumption

that the Swiss export up to

97 per cent of their produc-

tion. Exports in the first nine months of 1979 stood at just

less than 40m pieces.

"Japan has been going np

for years, while Switzerland, taking half of the global market in 1970, has been going downhill since 1975."
In 1978, world watch pro-

In 1978, worth watch production was nearly 280m pleces. It was estimated then that Switzerland held 22 per cent of the market. Japan 19 per cent, the Soviet Union 12 per cent and the U.S. 11 per

Mr. Shirakawa said that the

Swiss had to contend with high labour costs and a strong

currency. However, the major

reason was a slow adaptation

to quartz technology, in which the leading Japanese com-panies, Seiko and Citizen, are

particularly strong. Switzerland's watchmaking

industry, which went through

e massive rationalisation in

the early 1970s, still has some

600 companies (there were previously 1,300). Japan has

More importantly, Seiko took the lead in quariz watch manufacture in the mid-70s, a lead it still retains. While

mechanical watches still ont-

sell quartz watches worldwide,

the lead is narrowing fast.

Japan's market is now 56 per

cent quartz, while quartz com-mands 40 per cent of the market in the U.S., and about

In Japan, mechanical watch

production has levelled off.

Some 19m quartz wetches were produced last year, ris-

ing sharply to an estimated

Mr. Shirakawa said that the

Japanese quartz technology

25 per cent in Europe.

Presidential front runners stand aloof from Iowa

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

season begins in earnest less visible White House. than three weeks from now, but it appears that the critical first act, to be played in the Midwestern state of Iowa, will go on stage without the two leading

Both President Jimmy Carter and Mr. Rooald Reagan, currently the leaders for the Democratic and Republican Party presidential nominations, will not take part in a pair of debates between the candi-

Mr. Carter bas pleaded preoccupation with international affairs in withdrawing from the debate schednled for next Mondsy with Senator Edward Kennedy and Governor Jerry Brown, which he had been so eager to enter s couple of months ago when he trailed Mr. Kennedy badly io the public opinion polls. As a result, the Democratic dehate has heeo

Carter's popularity stemming from patriolic support for his policies over Iran has once again, if temporarily, conferred oo him the maotle aod advantages of locumbeocy

His advisers now believe that. with the Kennedy campaign off to a stumbling start and with with Goveroor Brown's candithe the car workers union, is quite dacy apparently uoable even to strong in Iowa and is pulling take off, the best place to wage for the Senator, on the other

U.S. group

accuses

AMERICAN electoral political war is from the highly hand, one of the two principal

Oo the Republican side, the Reagan strategy has been to keep the candidate above the fray. He never had any intention of participating in his party's debate in Iowa, due to take place this Saturday, and thus run the risk of being toppled from bis froot-runner's perch by some mis-statement ln the hurly burly of debate.

The Reagsn side also believea that so well organised and financed are the campalgns in individual states-and so well known is Mr. Reagen's position on a variety of issues—that this is a low risk approsch. Certainly the Iowa polls suggest that Messrs. Connally, Baker, Bush et al will he hard pushed to defeat Mr. Reagan in the party caucoses on January 21.

President Carter ought to be less confident in his confrontaancelled. tioo in lowe with Senator The dramatic rise in Mr. Kennedy. Iowa is not a predictshie siste, with its generally prosperous mix of agriculture and industry, it tends towards conservatism (which ought to help Mr. Carter) but bas a history of intermittently espousing liberal views (a potential hoous for Mr. Kennedy). Organised labour, especially

teachers' unions is also effective in the state—and is supporting President. Carter. The rural areas are thought to be leaning towards the President but that preference could be altered if the President decided to show his disapproval of the Soviet invasion of Afgbanistan by baring future sales of American grain to Russia.

Mr. Carter must also be con-cerned that the Iowa Demo-cratic faithful will beed Mr. Kennedy's complaint that, International crises notwithatanding. the President ought to meet his obligation to face the electorate. This could be compounded if, over the next two and a balf weeks, the freedom of the hostages in Tehran is not secured. Certainly all the Republican

candidates are bound to stress foreign policy in their exposi-tions on Saturdsy night. This week, Mr. William Brock, the National Party chairman, gave them licence to do so when he declared that Mr. Carter bad been engaged in a "policy of deception" by invoking national unity over Iran in order to cover up fundamental weaknesses in the conduct of foreign policy that had made possible both the seizure of the embassy in Tehran and the Soviet invasion of Afghanistan. Nevertheless, the bottom line



occupied with international affairs

for both parties and all candidates in Iowa is likely to be the effectiveness of grass roots organisation. The Carter effort there is reckoned to be tested and professional, probably better at this stage than Mr. Kennedy's.

On the Rapublican side, it is thought that the Reagan organisation is equally proven: neither Senetor Baker, in particular, nor, in spite of his wealth, Mr. Connally have yet sbown themselves to possess well-run campaigns. The experts expect Mr. George Bush to do well, bowever, largely because they bave been impressed by bis ability to turn out supporters in strength in several con-binding straw votes in assorted states late last year.

Argentina NEW YORK—Argentina has beao accused by a U.S. resasrch group of heiog Latlo America's worst violator of human rights, with responsibility for possibly the largest number of politically motivated killings in the region's history.

The Couocil on Hemisphere Affairs, a private group which issues annual reports on political freedom lo Latio Americs. siso named Uruguay, Chile, Gustemala and Paraguay as other major human rights viola-

Oo Argeotina, the council said no effort had been made to account for the fate of more than 15,000 people thought to have been detailed since the military seized power in early

"As tragic as it may be, at this late date we have to recognise the fact that most of the detaioees are undoubtedly dead, killed after falling into the bands of state security forces."

Brazilians order inquiry into attack on Cardinal

bas ordered s Government Inquiry into the volent attack on Cardinal Vicente Scherer, the 77-year-old primate of Porto Alegre, capital of the far southern Brazillan state of Rio

church after midnight mass on New Year's Eva, was set upon by two assailants, forced into his car and driven to a remote area where he was robbed, beaten up, stabbed eight times, stripped of his clothing, and abandoned. He is now in

hospital. The National Conference of Brazillan Bisbops has expressed grave concern at the latest attack on a senior member of the courcb. "Everything leads said in a communique issued on

PRESIDENT Joao Figueiredo Psulo, was raided and ransacked. On December 20, a bomb exploded in the cathedral church of Nova Iguacu, s suburb of Rio de Janeiro, destroying the high altar.

It has become clear that the Grande do Sul. bomhing attack on Nova Iguacu Cardinsl Scherer, leaving cathedral was politically moti-Nossa Senbora da Medianeira vated, aimed at Dom Adriano Hipolito, Archbisbop of the diocese. In the 1970s Dom Adriano, who sympethised with opponents of the military regime, was kidnapped and maltreated by extreme Rightwingers. It is presumed that the December 20 bomb was placed by the Communist Hunting Com-mends, which has already shown its displeasure at the political liberalisation promoted by President Figueiredo.

· If the attack proves to have us to believe in a possible been merely an ordinary crime, escalation of violence against it will be an illustration of the churchmen." the conference frightening violence that affects Brazil's urbsn centres. In Rio New Year's Day.

On December 22 the bome of crimes were committed in the Bisbop Luciano Mendes, of Sao first eight months of 1979.

JAMAICA AND THE IMF

A plea to bend the rules

THE JAMAICAN Government is preparing proposals to put to the Internstional Monetary Fund (IMF) seeking a waiver of conditions under which the island will continue to bave access to desperately needed

Negotiations with the IMF follow the failure of the economy to satisfy a criterion set hy the fuod. The Jamaican foreign reserves shortfall should not exceed \$370m at the end of December, according to the IMF, but Mr. Eric Bell, the Finance Minister, has said the shortfall is likely to he \$500m. If so, the island will not get any more funds until it reaches agreement

Jamaican financial officials have reason to he worried by the situation. The failure to meet the domestic assets criteria set the domestic assets criteria set by the IMF in December 1977 torpedoed a previous agreement also been payments of \$25m for for \$70m and led to ao immediate 15 per cent devaluation of the Jamaican dollar, followed by another 15 per cent over the following 12 months, as e pre-condition for another agree-

The Fund granted Jamaica assess to \$240m over three years and last year added another \$160m. This agreement is now threatened by the failure of the reserves test.

The injection of IMF funds bas failed to stimulate the economy to the level the Government had hoped and promised. Economic planners, for example, estimeted that the economy would grow 3 per cent lest yesr. This would have been the first positive growth for five years but iodications now are that the economy wil contract hy 2 per cent.





One factor which has worsened the deficit has bean the island's increased oil bill, which will be about \$33m above

projections for last year.
Foreign debt payments have been \$31m above projections. exports. Funds for this should bave come from the World Bank, hut did not meterialise on time. An additional \$18m has hed to be found for other goods and services because international

inflation, projected by the Government and the IMF at 8.5 per cent for 1979, was 14.5 per cent, the Minister aaid. Government funds had to be diverted in June to reconstruct

and rebabilitate western Jamaica after severe floods, which also destroyed several thousand acres of sugar and bacana plantations, leading to loss of export earnings of about

Consequently, current payments, which abould bave been eliminated by December 31, have increased by about \$50m, and liquid reserves, which allow Jamaica to fail. It would should heve been \$61m are not expected to be more than

there is no easy way out for the of the institution into serious economy. Eveo if continued questioning all over tha world," access to IMF funds bad been guaranteed, they say, the island would bave to seek the Fund's assistance for another four

Not much is expected from which receipts are immediate. The island is being marketed heavily in Western Europe, and Already botels have been over- to campaign for tha general booked for this winter.

New bauxite and alumina markets bave been found in Venezuela, the Soviet Union, Algeria end Iraq, but industry spokesmen say that with major spokesmen say that with major delivery contracts set to commence after 1983, little new money is available to ease the present crisis. The North American mining and refining firms operating in Jamaica have agreed to increase production following renegotiation of the Government's controversial taxas. Government'a controversial taxation system.

Export agriculture, the third msjor foreign exchange earner, is not likely to show more than modest expansion. New efforts are being made to increase Jamaica'a 25 per cent abare of the UK banana market, with projections for selling 95,000 tonnes of the fruit there this tonnes of the fruit there this year-75,000 tonnes were exported to the UK last year.

Understandahly, the situation has affected the domestic eco-nomy. There are frequent shortages of raw materials for factories, some of which have been forced to close, adding to the 27 per cent unemployment rate. The consumer price index rose by 49.4 per cent in 1978, and projections for last year of

20 per cent were overtaken.
Mr. Edward Seaga, leader of
the Opposition, bas warned that the economic squeeze, and the prospect of even e temporary cessation of IMF assistance will lead to sbortages of food and raw material, and widespread economic dislocation. The bope is that the IMF will agree to the waiver and spare the economy further hardship. A senior Central Bank official feels the

fund will be lenient. "We need the IMF funds very mnch," he said, "but the IMF also needs us. The Fund cannot be effectively a failure of the IMF's programmes and policies a failure which could bring Central Bank officials admit the operations and the validity

Political scope for dealing with Jamaica's economic situation is limited. Mr. Micheel Manley, the Prime Minister, recently resbuffled bis Cabinet, Jamaica's major export earners dropping six Ministers in the in the ahort term. There are bope that the smaller team could iodications that 1980 will be a bandle the crisis better. In record year for tourism, from spite of his decision to take on the important agriculture portfolio, detractors are sceptical about the value of the move and s 50 per cent growth is expected. lebel it as the beginning of plans

election due next year.

UN impasse on Security Council seat

in Afghanistan.

balloting.

quired for election. Although Cuba bas been consistently ahead of Colombis since the balloting began on October 26. it has been unable to break the Colombians "blocking A T & T-Europe mum of 53 votes in the 151nation assembly.

certain conditions.

But with a Council session tration for a space souttle to scheduled for next Monday to review the Iranian situation lite in the apring of 1983. and possibly begio consider-ing sanctions if the American hostages bave not been freed, any question about the legal authority of the UN's enly enforcement body could pose serious difficulties for the U.S. and other aupporters of a trade embargo.

Similarly, efforts by some

Undesirable though this was, such a Council could also rejected it.

Suy's advice bad "no legal or political significance, since it or the General Assembly, in accordance with the UN charter." Only the Council itself could resolve matters concerning its activities, he

The Russians seemed, therefore, should a bid be mada to raise tive advantage should be the Afghanistan question.

Earlier in the day, Mr. Oleg
Troyanovsky, the chief Soviet
delegate, binted that ba was prepared to use the veto to

By Our UN Correspondent

The United Nations Security Council bas begun 1980 one member short of its full complement of 15 nations, creating an unprecedented constitutional crisis which could spell trouble for future efforts to deal with the 1ran problem, and possibly also with events

The General Assembly, which adjourned on New Year's Eve after its 148th attempt failed to break a desdlock between Soviet-backed Cuba and Western-backed Colombia, contenders for the remaining seat, will try again tomorrow in further rounds of secret

two-thirds majority is re-

Five times over the years, such impasses have been resolved by agreement between contestants to divide the two-year Council term. The Cuhans have adamantly rejected this solution, although it is acceptable to Colombia, on

If the Security Council were not already in the midst of dealing with critical matters, the problem created by the deadlock would not he so acute, because most delegates believe that eventually it will

Islamic states to involve the couocil in the events in Afghanistan might suffer.

In the General Assembly on Monday, Dr. Erik Suy of Belgium, the UN legal counsel, at the request of the United States, made public an opinion he had already given privately to Mr. Salim Ahmed Salim of Tanzania, the Assembly president, that a 14-member council could function.

band down binding decisions, Dr. Suy insisted. But the Assembly declined to accept or reject this opinion, and the Soviet Union, in effect, The Soviet delegate said Dr.

lock sanctions against Iran.

The present 14 members of the Conncil are: Bangladesh, Britain, Cbina, East Germany, France, Jamaica, Niger, Norway. Philippines, Portugal, Soviet Union, Tunisia, United States and Zambia.

French car industry has another record year

to 1,985,000 vehicles, although

the overall total is lower than

importers appeared in have

the same line as during the past

The dip in registrations at the end of 1979 indicates that

the French industry cannot

expect in enjoy such a buoyant

announced longer Christmas breaks for their works than usual suggesting that they are getting their inventories in order for a tighter market.

Renault also believes that there

may be a decline later this year,

five years.

period in 1980.

year, but still on more or less having to face the problems of

All the big domestic mann-facturers, except Renault, have most important bloc of foreign

BY TERRY DODSWORTH IN PARIS

EXTREMELY STRONG exports, also increased by 2.1 per cent a stable bome market and virtually trouble-free production helped the French car industry seemed likely at the beginning markets in general decline. But establish another record year in of the year. Of this figure, the it remeins confident that it has establish another record year in

The figures, while not yet captured a little more than 20 most of its overseas competitors finally verified, indicate that per cent, slightly up from last to attract motorists whn are French producers increased their output by 3.8 per cent last year to 3,230,000 vehicles. This waa achieved in spite of a decline at Talbot, the former Chrysler-Simca organisation which has been taken over by PSA Peugeot-Citroen and which bas been unable to bold its own this year against increasing competition from other domestic Export markets have provided

the main fuel for the expansion. Sales overseas have gone up by 7.7 per cent compared with last yesr to a total of 1,700,000. with Renault in particular but it still intenda keeping its showing a marked improvement. factories turning at the same At home, registrations have rate until the spring.

its options to buy four more

a \$325.7m (£146.4m) deal, Mr.

vice-chairman, said yesterday.

delivered next September and

1982. The aircraft were bought

with a loan guaranteed by the

national carrier, has taken up cent, Mr. Megahed said.

Egyptair takes Airbus options CAIRO - Egyptair, Egypt's at an interest rate of 7.5 per-

jetliners, but this was now run-Ezzat Megahed, the company's ning into trouble over financing. Mr. Moujahid said that the Mr. Megahed said Egyptair board of the State-owned combad already bought three Air- pany would make a final decibuses, two of which would be sion before offers from U.S. concerns expire at the end of the third a year later. Details January.

Picking up the options on the

four aeroplanes would be extra Airbuses "does not mean finalised soon. Options and deliwe have decided against the U.S. veries would start in September, aircraft," he said, but soaring U.S. interest rates could threaten the deal.

French, West German and "Yes it could happen," be British Governments, and would said, "If we do not get good be paid in blannual installments terms on the financing."

Egyptian Government — which The Airbus deal did not rule has final say on which aircraft European Airbuses to conclude ont the possibility of Egyptair are bought — wanted to increase buying a fleet of eight U.S.-made the U.S. Export-Import Bank's share of financing to 85 per cent from 42 per cent. He added that Egypt could not afford the 15 per cent commercial interest

The industry is aware that it

will come under pressure on the

export front this year as

markets in general decline. But

a better adapted range than

most of its overseas competitors

more economical motoring.

importers,

apparently remains e difficult

country in which to expand,

mainly because distribution is

tied up by the domestic pro-

manufacturers, have lost pace this year. Their market share

is down from 11.3 per cent to

10.98 per cent (148.000 cars), in

Of the other foreigners, the

British, who bave shown the most significant increase with

sales up from 16,000 to 25,000

the first eight months.

McDonnell-Douglas bas offered DC-10s and Lockheed has offered L-1011 TriStars to Egyptair contract since last spring.

Last September the Board voted in favour of buying four DC-10s, but the Government beld up the deal and Lockheed moved in to sweeten its offer with a lease-purchase arrangement and low down payment

West Africa oil to be exploited

SAGA PETROLEUM of Norway orders worth about \$80m.
has announced that it is to sign Development of the field, has announced that It is to sign an agreement with the Government of Benln this month for the development of the West African country's offsbore Seme oll field.

The field, which has estimated recoverable reserves of about 22m barres, is expected to cost about \$100m to develop, with the Norwegian Government furnisbing guarantees for 90 per cent of the total. Norwegian companies are expected to gain Similar, small offshore finds of the year.

to launch a high-capacity com-

munications satellite to replace

AT and T still bas a \$100,000 deposit with the U.S. National Aeronauties and Space Adminis-

tration for a space sbuttle flight

to pot up the replacement satel-

an older aatellite.

AP-DJ

which Iles about 10 miles off the coast, is expected to take about two years. The Seme field was discovered

in 1968 but was not then considered commercially viable. However, the oil price rise of the 1970s have changed the picture. The oil field, although tiny by international standards, will provide valuable balance of payments support for Benin.

stand to benefit other West African States, such as Ivory Coast and Ghana.

U.S. to claim extra duty space option on Spanish alloy exports

NEW YORK — American Telephone and Telegraph, which bad planned to use the U.S. space shuttle to launch a domestic U.S. communications satellite in 1985, bas reserved a European Ariane rocket to do the job. AT and T put down a \$100,000 deposit on the rocket

Under the law the Treasury is required to collect an extra duty equal to the subsidy being paid. The Treasury said the amount of the subsidy has been determined to range from 2.4 per cent to 3.36 per cent of the value of the merchandise. The value of these imports amounted to sbout \$9.3m (£4.2m) in 1978.

In a preliminary determina-tion, the Treasury said Japan is subsidising exports of certain pipe fittings to the U.S.

Imports of this merchandise from Jspan were valued at about \$10.5m in 1978.

AP-DJ

Noting that the proposed

dollar projects, unless they are

already limited scope for flexi-

showed signs of being hastily assembled, there is evidence

that the Government is, Indeed,

Part of the reason is a desire

to shift capital expenditure from

infrastructure to industrial pro-

duction, a policy supported by

WASHINGTON — The U.S. The department said its Treasury made a final determining investigation found that the ation that Spein is subsidising Government of Japan was sub-exports of ferroalloys to the U.S. Government of Japan was sub-sidising manufacturers and exporters through financing at preferential interest rates and

partial tax sheltering of earnings. The Treasury will make a final decision in the case by March 17. If the preliminary finding is upbeld, the U.S. International Trade Commission then must find that the imports are injuring a domestic industry before duties would be assessed

William Chislett writes from Mexico City that Mexico bas signed an agreement to sell oil to Yngoslavia this year. The contract between Pemex the Mexican State oil monopoly, and the Yugoslavian oil company stipulates that the volume will be 3,000 barrels s day, starting some time in the second quarter

was the most edvanced, Portugal gets

\$70m in loans LISBON—West Germany has granted Portugal loans totalling \$60m (£27m) for 20 years et a 4 pcr cent yearly interest rate, the Portuguese Finance

Ministry announced. The credit will go to a bydro-agriculture project at Cova da Beira, a town in central Portugal, and to the fishing ports of Mazare and Figueira da Foz, north ef Lisbon.

Separately, Portugal signed e \$10.3m loan with Nederlanse. Investerings Bank in Lisbon

The loan, with a grace period of eight years, will carry a 5 per cent yearly interest rate.

The loan will be used for the fishing and agriculture sectors, specifically for pro-jects for renewing the coun-try's ontdated fishing fleet.

SGBN PHILIPPINES INDUSTRIAL SCHEME

Marcos pushes plans amid crisis

A \$6bb PROGRAMME for 11 acrutiny" of new projects and industrial projects is an programmes, particularly large-ambitious scheme for any scale schemes. developing country—hut the Philippine Government is trying to implement it despite a deteriorating balance of trade deficit of \$560m, overseas debt tonching \$9hn and inflation runoing at 25 per cent. plant are capital- and energyintensive, it says that "commit-ment to either of (these) hillion financed solely by direct foreign investment, would reduce by a very substantial margin the The International Monetary Fund (IMF) has been called in to help tackle the economic

bility in the management of the public finances and the balance of payments."

Although the President's list crisis, and the one area of friction between the two aets of officials is likely to be the 11 projects. Most of the projects have been · shuffled ministerial desks for years, but adopting a more co-ordinated approach towards the implein September President Ferdinand Marcos bundled them into a package and said they would mentation of tha industrial

industrialisation. lies beyond the functions. The response was cautious. established for the secretariat Critics said such expenditure. even over a 10-year period, was reckless in the view of the plight of the economy. They argued that more emphasis should be placed on labourintensive schemes and said only those industries in which the to be readying a challenge Philipplnes enjoyed a compara-

form the basis of the country's

of Trade, voiced initial reservations, but was quickly brought

stitution and to exports, that is away from domestic industries set up to cater largely to the local market needs and towards the international marketplace. The current status of the proiects is as follows: Copper smelter: Marubeni of

programme.

Jepan won the turnkey con-tract for the 138,000 metric tons



cent share in the equity of the project, which will use the But it also entails a shift in smelter's sulphuric acid by-product. The Government is policy away from import sublooking for \$100m worth of exports a year and says it will Cement industry expansion: go ahead with the acbeme on The Government seeks the its own if the Association of development of an industrial South-east Asian Nations—Thai a year plent annually from 1983.

into line by the President.

10 the new year, it will be harder to convince the international banking community, whose confidence is essential.

A new World Bank report recently callad for "very close" tract for the 135,000 metric tons a year plan because its \$228m and lower than the nearest offer.

Phosphatic fertiliser plant:

Two American groups, Agrico memorandum of agreement was confidence in the convergence of 70,000-140,000 tons a plant to replace of 70,000-140,000 tons a year. (Domestic demand is about 35,000 tons). A peso (£414.8m) programma is envisaged with 47. distilleries interest in obtaining a 20 per cent of fuel requirements about 35,000 tons.

Two American groups, Agrico memorandum of agreement was envisaged with 47. distilleries interest in obtaining a 20 per cent of fuel requirements about 35,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 tons a plant because its \$228m and to replace of 70,000-140,000 ton with Reynolds of the U.S. for ahead in September.

insbility to guarantee the availinsbility to guarantee the availability of power. Since then, a 500 mw geothermal field bas been confirmed in Leyte, which will also power the copper smelter and fertiliser plant.

Integrated steel mill: Ongpin admits thet "we heve hookcases full of feasibility studies, but this time we intend to proceed." The most recent study for the proposed \$1.4bn plant was drawn up by the Japanese Industrial Co-operation Agency (JICA). Proposed capacity is 1.5m-3m tons a year using imported iron.

1.5m-3m tons a year using imported iron ore.

Petrochemical complex: The Petrochemical complex: The fate of the \$300m nephtha cracking unit is in doubt. Discussions are reportedly "at an edvanced stage" for two downstream joint ventures: a \$60m polypropylene plant with Hercules Far East, and a \$52m low density polyethylene plant with USI Teiwan.

Diesel engine manufacturing: MAN of West Germany and Isuzu of Japan have separately agreed to construct plants at a cost of \$70m and \$35m re-

spectively.
Cement industry expansion: establishment of a new 1m-ton land, Singapore, Malaysia, Indonesia and the Poilippines—fails to adopt it as: a regional project by the end of the year.

Aluminium smelter: Discussions have been resumed with Raymolds of the H.S. for

pollution plent for the existing 18 factories was given the go-

Tatler

fraud

advertising sales.

printed.

alleged
Financial Times Reporter
AT WAS ALLEGED in Note

fugham Crown Court yester-

day that circulation figures for the Tatler and Bystander were falsely inflated to hoest

Mr. Brian Applehy, QC.

presecuting, said that the

magazine's circulation had

been claimed to be 49,000,

but in reality was only 15,000,

though there were no accurate

records of the numbers

-The four accused, Mr. William Guy Alexander, man-

aging director; Mr. Michael Campbell, a director; Mr. Leonard Sutton. foreman printer; and Mr. Arthur

Cyril Dewey, accountant and

anditor, are charged with con-

spiracy to defrand by fatsify-

ing the Tatler circulation

figures, and with similar

offences involving the Noti-

Mr. Appleby said that cir-culation figures for the Nott-

ingham Observer were certi-fied by Mr. Dewey as 65,775

over a six-month period when

the true figure was 12.898, while for the Tatler figures

were claimed to be 295,570. but were in reality 100,069, for a similar period.

The offences are alleged to

heve taken place between January 1, 1969, and January 1, 1977. The certified figures

were then cassed to the Audit Burean of Circulation. Mr. Appleby said that no

magazine could survive on

sales alone. They needed

advertising revenue. Adver-

tisers, would not buy space in magazines with low circula-

The case continues teday. .

Computer at helm

BY ROY HODSON

ingham Observer. All pleaded not guilty.

British Steel, but did little to

mally through ports. At King's Lynn in Norfolk for example, the Hull-registered Kenrix arrived from Ijmuiden car makers and washing machine plants. The Kenrix finished unading in the afternoon, but no ments are being handled and Stocks

good

for a

month

and reactions:

Individual company steel stocks

BL: Stock levels vary from

holding stocks of less than

four weeks. The average is 46 weeks. If the atrike goes

January, Beyond that, much

would depend on the degree

by transport unions to the

GKN, which is BSC's blggest

customer both for finished steel which is finished at GKN

works, says it is too early to say how it will be affected. GEC and Hawker Siddeley

also say it is too soon to com-

A THE STATE OF THE (Font · watchzig ch urm the tions) earn 15 -130 Main in Härre Bus. Japan MELANCH & . in habite it । तिः <u>ट</u>ाः । तिः देश - 50 5 2 3 11.1.1 × 1 -113. filtoni; a

11-11-12the size with gal geb 71. 24 (1975)

A Part of the second of the se

. Constend r

1-1 - a26 3 45

on as long as March, there will be "serious lay-offs." A major problem faced by the motor manufacturers is that "bright steel," of which they are big consumers, deterio-rates very quickly and can 9 10 12 72 1 31 Vet 1 only: be stocked for a month A. Philosoph Vauxhall: The group has stocks amounting to " several weeks." stop. 5 · · · 5 - 100 - 100 1.8 11794g g steel requirements. from British Steel, Ford is reluctant

្ត្រីក ខេត្តក 100 200

31 at 11 Harry 115

> Is carrying six to eight weeks' of its engineering factories with steel. SKF: Takes 50 per cent of its

British Rail sald last night clarify the situation with regard that railwaymen had succeeded to imported steel and the move in stopping all movements of men of steel around the stocks from British Steel plants. As transport workers awaited steel a week for the public and not define this as "normal." formal instructions from their private sectors.

union on the handling of The unions' intention is that imported steel (so far the both the production and trans-The street is the post of steel from private strike but is expected to issue ector steelmakers and steel more detailed instructions later this week), imports and exports of steel continued to move nor place of BSC steel. Some steel stockholders were picketed yesterday by members of the ISTC, including Robert Frazer in Tyne and Wear and a GKN one of Europe's biggest steel stockholder nearby. Robert plants. The steel is bound for Frazer said pickets tried to prevent deliveries by private bauliers, but did not interfere leading in the afternoon, but no with the company's own further steel imports will take transport.

place at King's Lynn this week.

The British Transport Docks
Board, which owns the port,
said: "Only normal steel shipthe unions of what is normal

steel strike saw varying degrees tional imports to come through as "normal," and thereby try from overseas of concern among customers of King's Lynn." the unions will try to stop pro- are also concerned that their duction and distribution. Many customers will then not be able private steel firms, bowever, to manufacture as normal, and have been operating consider-

THE STEEL INDUSTRY STRIKE ... DAY ONE

Situation remains unclear

over imports and movements

The bigher than average similar to that during the engi-The unions' intention is that stocks held by steel customers neering dispute, when firms and the stockholders will be the found themselves with stocks determining the effect that the strike will have on industry tion, whose members supply 2.5m tonnes annually of scrap most important element in of unwanted components.

> the strike extends beyond that, the motor industry is expected to be the first major area to feel the effects. BL in particular relies beavily on British Steel. An added problem, however, is that even where companies are likely to occur in particular types and sizes of steel. This situation could be particularly aerious if the expected blacking

THE FIRST DAY of the national there are no plans for addi- makers exceed what they deem their specialist requirements is

will therefore not want to take delivery of components. The situation could then emerge

Most companies are carrying to the private steelmakers, and at least four weeks stock. If 3m tonnes to foundries, said yesterday it has received firm undertakings from its joint consultative council that memher firms would not suffer

Other industries which wil be affected if the strike is prolonged are steel castings and canned foods and drink. Stock levels at foundries are high, but the growing importance of imof imports is effective, as many dustry could create problems if companies second source of overseas supplies are blacked.

Stockholders can maintain supplies until next month

BY OUR FINANCIAL STAFF

THE END of the first day of the national steel strike finds most stockholders in a position to supply customers on a regular factory to factory, but none is basis at least until the early part

of next month. The steel stockholding sector is uncertain how long the dispute at the British Steel Corporation is likely to last, and what the possible effects of secondary picketing, transport disruption and an import blockade will be. But it is reasonably confident of higher prices as stocks dwindle, and expects discounting, particularly in the bright steel market, to

the strike went on for as long as 10 weeks.

Stocks have grown after a period of flat demand in the wake of the national engineer. ing strike last autumn! In British Steel, Ford is rejuctant to reveal the extent of its stocks, but says that it can definitely cover during and Steel Trades Confederation.

Guest Keen and Nettlefolds, the largest steel stockholder in of support given in sympathy Britain, said yesterday it had been "aware of the possibility steel strikers, and hence the of a strike and had taken certain effect in alternative suppliers, action."

In other cases, stocks had a rise in scrap metal prices had belped to lift inventories by 25 per cent over usual year end levels, higher than the group would like. But like many stock-

benefit if the dispute at BSC

is settled within a month. A short strike. Central Manuchairman of Cooner Industries. expected that "prices will firm up with any luck," and echoed Duport's conviction that dis-

Specialities

Discounting has been endemic in the bright steel market, with

whether a scramble develops for would allow imports to come stocks as normal practice, on the other hand, admitted company, principally holding. United Spring believed: "The Most of its timplate needs that it fidit not take a lot of structural steel supplied by come from British Steel, and avoiding action," boping that BSC, felt that there would be the ingenuity of manufacturers the company is doing a the strike would not take place. no supply problems for the next in finding satisfactory alternated at a stocktaking now to Nevertheless, the effect of the week or two provided customers tives to their normal raw determine those types of sizes earlier engineering action was were prudent, with the impormaterials." The group intends of steel on which they might such that Mr. E. G. Firth, chair tant additional caveat that the to maintain contracted prices

another stockholder, said that it swollen to uncomfortable levels. is already being "chased bard." Duport'a decision to anticipate for supplies, and Mr. D. West wood, chairman, envisaged a situation where it would be "impossible to move steel off the shelves."

He considered that customers holders, it would expect to would cut orders for all steel products if certain important apecialities became unavailable. Mr. E. P. Tiltman, finance direcfacturing and Trading agreed for of Ductile Steels, said that yesterday, "would squeeze some the correct mix of stock could of the surplus out of the go without great care, and he system." Mr. Charles Cooper, expected special steels to run down fastest. Ductile, like other stock

holders, imports a considerable. proportion of its steel. The amount varies enormously, but usually ranges between 10 per cent and 20 per cent of the total. The company has an important. consignment due at the docks at

John Folkes Hefo, which holds prices slashed by as much as about eight weeks stock, said: 10-15 per cent. It has recently "We could still get some supcrept into the black bar sector. plies from overseas, but it is Much obviously depends on still unclear whether the unions

run short. Overseas sourcing man, calculated that stocks were effect of picketing is not too with regular customers where is being looked at.

10 per cent higher than normal damaging.

Impact on ports uncertain

EY WILLIAM HALL, SHIPPING CORRESPONDENT

thirds of these import iron and ports are coping with the steel steel in some form or other. stock. TI also supplies many steel in some form or other. They range from small harbours such as Fraserburgh, which handle just a few tons, to the steel from the group's steel- Port of London which handles

The Investments: Not predicting any particular shortages.

Securing six to eight marks:

ABOUT 100 ports in the British force, but are capable of landing moment it was "very early days", and a lot of their days and a lot of their landing moment it was "very early days", and a lot of their landing moment it was "very early days", and a lot of their landing moment it was "very early days", and a lot of their landing moment it was "very early days", and a lot of their landing moment it was "very early days". teel days", and a lot of their It is too early to say how the customers bad nor resumed

the River Thames.

The London Wharfingers'

tories throughout Enrope In addition to the 100 or so Freight Express-Seacon, a yesterday that the port is curmens that some re-scheduling statistical ports, there are quite company specialising in steel rently working at full capacity would have to take place if a few places around the coast cargoes at its London Steel and was not normally associated

have no regular work- Terminal, said that at the

ports are coping with the steel work yet. The company added strike. Virtually all of the steel that it hoped that business coming into London is landed which it had bandled in the via the 30 or so wharves along past would continue to be

There is a possibility that works in Sweden, and the over im tons a year and other 50 per cent from TL operates specialised berths ships appeared to be unloading start bringing in steel via the Specialisation of particular which concentrate on nothing normally and he had not beard roll-on/roll-off ferries. A bearing types on SKF fac else.

Railways and road haulage will suffer

haulage industry is likely to cent of road freight suffer most. British Rail has

industry and British Rail are past decade. The haulters have tonnes, more than a both expected to suffer as a picked up the business, and than 10 years ago. result of a prolonged shut-down dominate the transport sector in Iron and steel pro of iron and steel making plant, these metals, although iron and

f iron and steel making plant. these metals, although iron and declined over the period. But although less rapidly, from 18.2 in revenue terms, the road steel accounts for only 5 per British Rail's share of the per cent of freight revenue 10 aulage industry is likely to cent of road freight. 92.2m tonnes of iron and steel years ago to 15.4 per cent In 1978, the latest year for moved in 1978 was just over a (£59.4m) of the total of £384.4m carried a steadily declining which statistics are available, quarter, compared with 37.5 per two years ago.

HAULAGE amount of iron and steel in the British Rail carried 24.7m cent 10 years ago. tonnes, more than a third less Iron and steel production has transport bas also fallen

British Rail's proportion of revenue from lron and steel

log on board the sailing boats of the 1980s, judging by the in-

at Earls Court today. than some conventional radio

direction-finding systems. Decca bas ordered the Walker navigators and intends to national events. launch them in North America for the coming season.

The other electronics star of the show is an on-board com puter called Hercules. Invented ments company, it monitors all

systems and computers will re- of a boat. Information is place the traditional sextant and displayed in digital form for the helmsman and navigator. There are signs, bowever, that

NAVIGATION data affecting the performance

terest being aroused by new some yachtsmen are starting to react against the increasing marine electronics equipment to complexity of boats and equip be shown at the 28th Inter- ment. Great interest is being national Boat Show, which starts shown at Earls Court in one design yachts that can be raced A film order was taken last against precisely similar craft. night by a British company. The British Olympic Gold The British Olympic Gold

Thomas Walker, for a satellite Medallist yachtsman at the navigator, new to the market. Montreal Olympics, Mr. Reg which will retail at £1,500, less White, is to build a strict onedesign racing keelboat called the Sunshine 22.

He will promote it in inter-

The boats will be identical, resulting ln. production economies, and the total cost is expected to be under £7,000. Only one sail-maker, one mast by Brookes and Gatebouse, a maker and one fittings manu-Lymington yachting instru- facturec will be permitted. Technical News, Page 7

NEWS ANALYSIS—ACTUARIAL GUIDLINES

Ending conflicts of the past on company accounts

actuaries and auditors should and sickness contracts, with every three years. help prevent most of the premiums coming in over conflicts of interest that have arisen in the past.

The purpose of preparing the accounts of a company is to show a "true and fair" view of the trading and financial position of that company. The another onus of checking the presentation of accounts lies fairly and squarely with the auditors under the 1948 and 1967

Companies Acts. .Where insurance company. accounts are concerned the aituation is complicated by the term funds, life, pension and The long-term funds of an tion of the financial condition Discussion between the two

several years and money paid out at varying times.

the funds are sufficient to meet these liablities is the task of another profession, the shareholders, actuarial, and involves detailed A valuation knowledge of mortality, interest and expenses.

Actuarial science on valuation of long-term funds has to the Department of Trade. heen developed over 200 years. The 1974 Insurance Comadjuation is complicated by the long panies Act requires the and the actuary, each conscious valuation made of the long panies Act requires the and the actuary, each conscious term funds, life, pension and appointed actuary of a life of his professional responsibilities. company to make an investiga- ties.

The purpose is first to demonstrate that the long-term funds can meet the liabilities, and To place a value on the long- secondly to ascertain what surterm liabilities to ensure that plus is available for distribution to policybolders, and in the case of proprietary companies

A valuation must be made before any distribution of surplus. Separate returns, from the company accounts, are made

So there arises an overlap of interest between the auditor

PUBLICATION this week of varying types of life, pension long-term business at least once procedures to be adopted by appointed actuary of the insur-notes from both accountants both - parties in preparing ance company. accounts began 10 years ago, despite the fact that insurance companies have been doing auditors have the right to satisfy long-term business for over 100

> get an acceptable modus carried out II necessary checks actuaries discuss at outset with operandi between the two pro- to ensure that this is so.

> bodies published their guidance the auditor has to get reasonto auditors. Guidance to able assurance from the actuary Valuations of Long-term. Busi few days from the institute of to meet the related liabilities. Actuaries and Faculty of Actuaries.

> principle that the method of actuary may change his basis of TR . 373, enclose stamped valuing long-term liabilities was valuation from time to time.

PUBLICATION this week of insurance company consist of of the insurance company's professions on determining the sole responsibility of the In practice, these guidance

The guidance shows that the actuaries have accepted that the in many insurance companies. themselves that the actuary's valuation is based on the correct But it has taken this long to data; and that the actuary has

The accounts show the value This week the accounting of long-term business funds, and

The trickiest area concerns

what is already current practice

Gone are the days when auditors tried to influence the actuary, and the actuary maintained a stony silence. Now the auditors the valuation methods, and what they are try ing to achieve.

Auditors' Relationships with Actuaries, concerning . Actuaria actuaries is expected within a that these funds are adequate ness Funds of Insurance Com panies," Publications Depart ment, P.O. Box 433, Chartered the surplus in value of funds Accountonts' ... Hall, .: Moorgate The 1974 Act enshrined the over value of liabilities. The Place, EC2; quote reference addressed envelope. **

House price rise may slow

they did last year, says the months. National Building Abbev

The society expects prices at pared with £18,400 at the end the top end of the market to of 1978. London and the South-rise by only an average of 10 East remained the most expenper cent this year, while lower- aive areas with average prices priced houses may increase by between £28,863 and £28,702. 15 per cent.

average house in 1979. Accord- per cent. It is the third most creases has already begun to UK.

An average home at the end

of the year cost £23,900, com-

The higgest increase in the

HOUSE PRICES are likely to slow, with prices rising by only A slower rate of increase in rise only half as fast in 1980 as 3.9 per cent in the last three housebuilding costs is forecast they did last year, says the months.

for 1980 by the Royal Institution of Chartered Surveyors. Cost of building a home is still likely to rise, by 16 per cent.

This compares with a 19 per cent increase in 1979, the highest in the institution's bosuing cost index since 1975, and double that in 1978.

The institution says that last This compares with a 30 per last three months, says Abbey, year's increase was due largely cent rise in the price of an was in Northern Ireland, 13.7 to a 22.6 per cent rise in buildto a 22.6 per cent rise in building to Abbey, the rate of in- expensive housing area in the since the Index was started in

Home repair hopes cheer builders

Bill provide at least one area for optimism for the hard- market. pressed construction industry, said Mr. Ian Robey, president of the Builders' Merchants' Federation.

Mr. Robey said that moves to extend tenants' rights to Mr. Robey said: "Home pared with an 8 per cent rise improvement and repair grants renovations represent the one in 1979 and 16 per cent in 1980.

greater flexibility in the im-

tions for grants.

GOVERNMENT measures on and other measures affecting area in which there are real bousehold repair, maintenance private tenants, landlords, local indications of higher activity." and improvement in the Housing authorities, and bousing associations offered the prospect of committee of the Building and widening the home improvement Civil Engineering Economic

Development Committees is less The Bill should also promote optimistic about prospects for household repair and mainprovement grant system, which tenance. In December it foreshould encourage more applica- cast that output would rise by only 3 per cent in 1980 com-

Philips UK rationalisation plan

tronics group, is plannning a several months ago to decide 1930s, many companies are trylarge-scale reorganisation of the best way of implementing ing to develop products and several of its UK divisions conterned with office automation.

Plans are being formulated to bring together four divisions in the UK which have interests in spearhead-Philips' -drive -into- duct lines which are computers various office equipment products. They will then, in effect, form a single office systems

PHILIPS, the Dutch elec- Philips set up a special team biggest growth sectors in the the changes which will affect systems. Philips Data Systems, Pye TMC, Philips Business Systems and

Philips Business Equipment. of companies now entering this makes telephone. market. Since the office systems which will form the heart of any sector is likely to be one of the large office automation system.

(000s). All seasonally adjusted.

Philips already bas the products but needs to bring them together. For example, Philips Once formed, this could Data Systems bas two major procomplete office systems to and various types of terminals challenge the growing number including Viewdata, Pye TMS

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies

| Indl. prod. | Mfg. output | Eng. order | Retail 'vol | Retail value | Unem- ployed | Vacs |
|----------------|---|---|---|---|--|---|
| 111.3 | 104.8 | 103 | 110.7 | 266.6 273.0 | 1,380 | 213 230 |
| | | | 110.3 | 276.4 | 1,351 | 234 |
| 115.5 112.9 | 108.1 | 107 101 | 116.7 110.1 | 297.3 300.5 | 1,269 | 247 |
| 117.5 | 107.5 | -98 | 108.7 | 294.4 | 1,279 | 265 253 246 |
| 110.7 | 99.8 | 101 | 110.0 | 302.3 | 1,264 | 243 |
| 113.0 | 104.4 | | 113.5 | | 1.282 | 234 219 |
| | prod. 111.3 110.3 109.5 115.5 112.9 117.5 116.3 111.7 | prod. output 111.3 104.8 110.3 103.1 109.5 102.0 115.5 108.1 112.9 102.9 117.5 110.3 116.3 107.5 111.7 101.3 110.7 99.8 | prod. output order 111.3 104.8 103 110.3 103.1 103 109.5 102.0 97 115.5 108.1 107 112.9 102.9 101 117.5 110.3 111 116.3 107.5 98 111.7 101.3 104 110.7 99.8 101 | prod. output order vol. 111.3 104.8 103 110.7 110.3 103.1 103 111.7 109.5 102.0 97 110.3 115.5 108.1 107 116.7 112.9 102.9 101 110.1 117.5 110.3 111 120.3 116.3 107.5 98 108.7 111.7 101.3 104 111.5 110.7 99.8 101 110.0 113.0 104.4 | prod. output order vol. value 111.3 104.8 103 110.7 266.6 110.3 103.1 103 111.7 273.0 109.5 102.0 97 110.3 276.4 115.5 108.3 107 116.7 297.3 112.9 162.9 107 116.1 300.5 117.5 110.3 111 120.3 309.3 116.3 107.5 98 108.7 294.4 111.7 101.3 104 111.5 304.3 110.7 99.8 101 110.0 302.3 113.0 104.4 111.4 309.5 | prod. output order vol. value ployed 111.3 104.8 103 110.7 266.6 1,380 110.3 103.1 103 111.7 273.0 1,340 109.5 102.0 97 110.3 276.4 1,351 115.5 108.1 107 116.7 297.3 1,299 112.9 102.9 101 110.1 300.5 1,269 117.5 110.3 111 120.3 309.3 1,280 116.3 107.5 98 108.7 294.4 1,279 111.7 101.3 104 111.5 304.3 1,265 110.7 99.8 101 110.0 302.3 1,264 113.0 104.4 111.4 309.5 1,282 |

OUTPUT-By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); angineering ontput, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

| | Consumer | Invst. | Intmd. | | Metal | | House. |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| | . goods | goods | goods | output | mnfg. | etc. | Starr?. |
| 1978 - d qtr. | 108.4 | 99.0 | 122.7 | 100.2 | 99.2 | 103.7 | 23.0 |
| qu. | 108.0 | 96.9 | 124.0 | . 96.9 | 99.0 | 102.4 | 20.2 |
| 1979 | | | | | | | |
| qtr. | 105.3 | 98.6 | 126.3 | 98.1 | 98.8 | 99.1 | 12.9 |
| d gtr. | 109.1 | 105.0 | 133.4 | 103.8 | 110.7 | 103.6 | 21.3 |
| dqtr. | 105:2 | 95.8 | 132.2 | 94.2 | 105.1 | 100.9 | 20.7 20.0 |
| y | | 105.0 | 132.0 | 104.0 105.0 | 107.0 115.0 | 103.0 106.0 | 25.4 |
| ne ly | 111.0 108.0 | 106.0 162.0 | 137.0 136.0 | 102.0 | 115.0 | 101.0 | 22.6 |
| gust | 104.0 | 94.0 | 130.0 | 92.0 | 93.0 | 99.0 | 18.3 |
| pt. | 103.0 | 91.0 | 131.0 | 88.0 | 107.0 | 103.0 | 21.2 |
| t. | 105.0 | 102.0 | 130.0 | 99.0 | 97.0 | 99.0 | 20.9 |

EXTERNAL TRADE-Indices of export and import volum (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

| :. | Export | Import | Visible balance | Current | | Terms trade | Resv. US\$bn* |
|-------------------|--------|--------|--------------------|----------------|--------------|----------------|------------------|
| 1978 | | | A 200 | | | 1001 | *** |
| rd atr. | 124.8 | 114.9 | -0.367 | +0.299 | ⊢501 | 106,1 | 16.55 |
| th atr. 1979 — | 124.8 | 1123 | -0.039 | +0.614 | -480 | 106.9 | 15.77 |
| st qtr. | 109.7 | 117.1 | -1.579 | -1.207 | -234 | 107.6 | 16.78 |
| nd otr. | 135.0 | 130.9 | -0.714 | -0.607 | -227 | 107.5 | 21.69 |
| rd atr. | 132.4 | 129.3 | -0.397 | -0.211 | -166 | 108.4 | 23.18 |
| une | 130.2 | 129.2 | -0.245 | -0.209 | ··· 50 | 106.5 | 22.07 |
| uly . | 133.3 | 128.1 | -0.074 | -0.012 | - 44 | 109.2 | |
| August | 131.1 | 131.1 | -9.176 | -0.114 | └ 130 | 108.4 | 22,30 |
| ept | 132.8 | 128.8 | -0.147 | -0.085 | + 8 | 107.1 | 22.75 |
| CL : | 129.7 | 133.0 | -0.339 | → 0:289 | - 85 | 106.1 | 22.49 |
| - | 100 0 | 1020 | - O OED | -0.006 | 19 | 105.7 | 99 49 |

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); bullding societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate land paried. lending rate (end period).

| | • | | Bank | | • | | • |
|-----------------|-------|--------|--------------|--------|--------------|---------------|----------|
| 3050 | M1 . | M3 . a | advance % | | BS inflow | HP lending | MLR % |
| 1978 3rd qtr | 17.2 | 8.1 | 4.2 | + 572 | 746 | 1,559 | 10 |
| 4th qtr. | 14.9 | 11.9 | | +1,774 | 878 | 1,584 | 121 |
| Ist atr. | . 7.6 | 9.3 | 32.6 | +1,524 | 777 | 1,583 | 13 |
| 2nd qtr. | 9.7 | 17.2 | 28.5 | +2,705 | 777 | 1.868 | 14 |
| 3rd qtr. | 11.5 | 9.9 | 13.2 | +2.414 | 933 | 1,879 | 14 |
| June | 9.7 | 17.2 | 28.5 | + 885 | 125 | 680 | . 14 |
| July | 7.1 | 14.3 | 34.1 | + 439 | 229 | 630 | 14 |
| August | 6.1 | 12.4 | 29.g | +1,057 | 293 | 634 | 14 |
| Sept. | 11.5 | 9.9 | 13.2 | + 925 | 411 | 616 | 14 |
| Oct. | 15.7 | 15.1 | 14.8 | +1,549 | 544 | 664 | 14 |
| Nov. | | 12.9 | | +1.187 | 134 | | 17 |

INFLATION-Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

| . : | Earn- | Basic matls.* | Whsale mnfg.* | | Foods* | FT* comdty. | Strig. |
|---|--|---|---|---|---|--|--|
| .1978 3rd qtr. 4th qtr. 1979 | 133.2 136.4 | 144.9 147.1 | 154.8 157.3 | 199.2 202.6 | 206.2 208.0 | 253.74 257.69 | 62.4 62.7 |
| lst otr. 2nd otr. 3rd otr. Juna July August Sept. Oct. Nov. | 140,2 147,3 154,1 150,9 155,6 153,3 153,6 157,8 | 152.3 161.3 167.3 164.6 165.4 166.5 169.7 175.7 178.0 | 161.6 168.0 176.4 170.9 174.8 176.3 178.2 180.3 181.4 | 208.9 216.5 231.1 219.6 229.1 230.9 233.2 235.6 237.7 | 218.8 225.2 231.9 230.0 231.2 231.8 232.6 234.8 237.0 | 268.83 293.55 301.66 293.55 278.92 290.04 301.66 291.34 297.22 | 64.0 67.4 71.9 68.3 71.9 71.4 69.8 66.9 69.6 |

" Not seasonally adjusted.

attacks foreign buying

FINANCIAL TIMES REPORTER

LEADING PUBLIC figures who buy foreign cars were accused of "unpatriotic" behaviour yesterday by Sir Michael Edwardes, chairman

Sir Michael, speaking on ITN'S News at One, said that "self-control, not import control" was needed to stem the Increasing number of foreignbuilt cars on Britain's roads. MPs and civil servants were among those opinioo formers who drove foreign

"Every seven cars that we import from France, Germany or Italy throws one British worker out of work for a year, said Sir Michael. He also criticised the public in general for bnying foreign cars. Io Corby, where major steel works are being closed, 50 per ceot of the people buying cars hooght foreign vehicles. They were therefore bnying imported steel.

"Now If, in areas affected by unemployment, the people are so stapid as to buy fareign cars and not support their own future employment. I wonder what the cooniry is coming to, frankly."

BL, which has about 20 per cent of the domestic car market, takes about 40 per cent of British Steel's plate-

Spending on law and erder up

By James McDonald

EXPENDITURE by the Home Office on law and order in the financial year 1977-78 was £1.44hn. Of this, £1.04bn was oo the police, £220m on the prison service, £120m on the administration of justice and £65m on the probation and

At 1978 survey prices expenditure increased 16 per cent between the financial years 1971-72 and 1977-78, according to Home Office statistics poblished today. From 1968 to 1978 the number of police officers increased from 91,000 to

109,000, prison officers from 11.000 to 16.000, and prohation officers from 3,000 to 5.200. In 1978 2.5m indictable

offences were recorded by the police. Although this was a slight fall from the 1977 figure, the average annual rate of increase over 10 years was 5-6 per cent.

The average daily prison populatioo increased from 32.500 in 1968 to 42,800 in 1978, and the population under sentence of imprisonment from 21,400 to nearly 28,000: About two-thirds of the male offenders under 21 discharged in the years 1970 to

1975 were reconvicted within two years of their discbarge. Statistics of the Criminal Justice System, England and Woles, 1968-78," SO, £3.50.

Edwardes General Accident raises premiums

The average rise this time is Epsom or other areas of outer Cornhill Insurance Company 12 per cent, following the 8 per cent increase last August and 12 per cent jump last February. The company is also changing The company is also changing the stream of these areas.

But it he lives in Dartford, creases to take enect in 1980. Creases to ta in its geographical rating areas.

Motorists io this latter region and a continuing high number for the age of cars.

General Accident group face bigher premiums from next 5 per cent increase in rates. frequently than once a year.

A mature driver of a Ford The recent wage award of 1 higher premiums from next Escort 1,300 cc car eligible for per cent by the Vehicle Builders month. The group, the largest full no claims discount, renew- and Repairers Association will motor insurer in the UK, is ing next month, will find ois seed labour costs rising further. putting up its premium rates motor premium rising more General Accident is the from February 1, only six than 21 per cent from £69.60 to second major motor insurer to

ocluding the South West and with other motor insurers, has the motorist pays the first part

THAN a million outside the London postal dis- of claims has made it essential motorists insured with the tricts will have an additional to increase premiums more

General Accident is the months after its previous £84.40 if be lives in rural Kent. bave announced premium intervision.

Example 1980.

General Accident, in common level of excesses under which the Greater London area found that rising claims costs of the claim and in the discounts

Economist sees historic solution to decline

BY PETER RIOCELL, ECONOMICS CORRESPONDENT

George Ray, an economist at other sphere."

Married the National Institute of He suggests that the UK to work.

Economic and Social Research. could become an international A fur

Writing in the latest issue of Lloyds Bank querterly review. published this morning, be points out that economic history provides many examples of the rejuvenation of economies which could legitimately have been considered as ageing.

He raises the possibility that it could be Britain's turn now. performance in the international centre for Europe."

A POSSIBLE cure exists for the developments in energy, conser- Continent temporary arteriosclerosis of vation and production, instru- This is linked with the sharp the British economy, says Mr. mentation, aerospace or any increase in the number of

centre for selected service in- Richard Coghlan and Miss dustries, such as finance, in- Carolyn Sykes discusses the surance, private bealth services, management of the money publishing, or providing the supply. The authors reject a software side of the micro-rigid form of monetary base processor revolution.

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world markets, especially if they School discuss the very high

married women now going out

A further article by Mr. control and argue that the There may also be scope in money supply can be adequately the area of "pure science and controlled through the present money supply can be adequately

able securities by which the setting of many of our manufacturing industries, there must be some at least which may and Mr. Derek Sawbridge, of ing more closely the individual retain, or regain, leadership in Durham University Business needs of investors, it should be possible to finance any given can, in good time, specialise in proportion of part-time workers level of borrowing outside the lines that serve likely future in the UK compared with the banks at a lower cost."

Sainsbury tries laser checkout

BY OAVIO CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

ment at its Broadfield store, on the outskirts of Crawley, using IBM checkout equipment. Later in the summer it plans to switch to NCR equipment to compare the two systems.

The new laser scanning check-outs, already widely in use in the U.S. and Europe, use a lowpower laser beam to read a started to put bar-codes on its power laser beam to read a started to put bar-codes power laser beam to read a started to put bar-codes power laser beam to read a started to put bar-codes power laser beam to read a started to put bar-codes power laser beam to read a started to put bar-codes power laser beam to read a started to put bar-c

that it would start its laser- stock control; and service at the experiment.

SAINSBURY'S IS to start its scanning experiment within the laser-scanning electronic checkouts in February.

The company said yesterday that it would start its experiment within the mext three months, but was unable to give a specific date.
However, Tesco has just had insupermarkets depends on food manufacturers part at its Cheshunt beedquar printing the special bar-codes on the start of help cope with the december of the product. Each product.

the two systems.

New Markets, the Fitch Lovell special bar-code printed on each own-label products and many supermarket chain, launched grocery product. The price is major manufacturers such as the first system at Spalding in automatically retrieved from the Bird's Eye are committed to

Lincolnshire last autumn. Sains bury's will be vying with Tesco to be the second stores group to operate the system.

Tesco confirmed yesterday

Tesco confirmed yesterday what could be e long legal

Waste exchange may have to close

Exchange, which claims to have waste from manufacturing administers the exchange, said

more than 5,000 companies of an

THE UK Waste Materials the availability of all types of research establishment which

will end in October, and the through subscription.

years ago by the Industry Mr. Douglas Jackson, head of companies which have been Through a the Materials Recovery Division getting free bulletins have quarterly bulletin, it informed of Warren Spring Laboratory, subscribed an annual £20 to more than 5,000 companies of an Industry Department maintain the exchange.

lodge petition on PR

BY OUR LOBBY STAFF

THE GOVERNMENT MAY soon be forced to justify the continued use of the firstpast-the-post electoral system.

The Liberal Party last week formally lodged its petition with the European Commission alleging that the Government was in breach of the European Convention on Human Rights by its use in last year's General Election of a voting system which it knew discriminated against the Liberals.

The Commission, which acts as guardian of the buman rights convention, has indicated that it may take a preliminary look at the case its meeting to March. The Government may be given an opportunity before then to make its initial response to the petition.

The lawyers handling the Liberals' petition have avoided arguing the caes on political grounds. They have tried instead to prove a breach of the convention on a purely legalistic basis, ...

The Government's lawyers may try to answer in the same way and shoot holes in the legal argument without becoming embroiled in the political debate for and against the present voting

Nevertheless, the Govern-ment may find itself having to justify the continued use of a system which, the Liberal Party argues, dis-criminates against it and its supporters.

Evidence

The petition, the first of its kind, marks the latest step in the Liberals' long campaign to bave proportional repre-

Mr. David Steel, the Liberal leader, announced the inten-tion of saing the Government at the party's annual assembly in September. Since then the lawyers have been assembling the evidence for the substantive petition, which under the convention must remain confidential. Sending of the full petition

is only the second stage in

battle. For the application to have political significance the Commission will have to rule that the case is admissibleand that is a test which few cases submitted to the Commission survive. If the case was judged admissible the most likely course of events would be for

the Commission to try to persuade both parties to reach agreement without a full court hearing.

But Mrs. Thatcher, who is known to be opposed to proportional representation, would strongly resist any move by the European institutions to influence the voting procedures used in British

promoted resource savings of processes. yesterday that industry was more thao £8m for the last five The Government has said being asked to pay the full years, could close in the autumn when it loses its that its funding of the exchange economic cost of the service

Government-funding. The exchange was set up five unit must be self-financing.

BITTER CONTROVERSY OVER HOUSING BILL PROPOSALS

Riddle of cost of selling council homes

BY ANOREW TAYLOR

Liberals | Welsh seek disclosure of BSC coal plans

BY ROBIN REEVES, WELSH CORRESPONDENT

Corporation's latest plant economy. closure and coking coal import The W plans to be added to the unions' demands in the national steel

The demand for what amounts to an all-out attack on BSC and the Government's general policies towards the coal and mittee, stiended by Welsh Representatives, in London tomorrow morning.

Before Christmas, Welsh leaders of the coal, steel and transport unions set a deadline of January 21 for the start of industrial action against BSC's closure plans, which threaten up to 15,000 redundancies at Port Talbot and Llanwern Combined with BSC's plans to

step up imports of cheaper foreign coking coal, South Wales also faces the closure of up to 21 far greater importance to the duce a recollieries and 15,000 reduneconomic future of South Wales. meeting.

WELSH TRADE UNION leaders dancies among miners. The agreed yesterday to press for effects of this would be felt disclosure of the British Steel throughout the South Wales

immediate suspension of Sir Charles Villiers, BSC's chairman, and his top three executives, a two-year postponement of the letest cutback plans pending an investigation of the BSC's commercial management; steel industries will be tabled an inquiry into the possibility at a meeting of the TUC's of selective import controls; nationalised industries compresent £10 a tonne gap between the cost of imported and domestically produced coking

> Yesterday's meeting discussed the possibility of bringing the wider industrial action forward, unless these demands were met.
> Mr. George Wright, Wales TUC
> general secretary, said they
> recognised that if the dispute over pay was settled soon it would be extremely difficult to resume action on these other demands, though they were of

national trade union leaders have so far been resisting Welsh The Wales TUC wants the efforts to make the closure and coal import issues the subject of a showdown: Mr. Len Murray. the TUC general secretary, urged Welsh leaders before Christmas not to resume the

blacking of imports of U.S. coking coal through Newport, destined for ESC's Lignwern But the Wales TUC decided otherwise. The two shiploads, totalling 40,000 tonnes, due in just before and after the Christmas break, were still at anchor yesterday in the Bristol Channel. Even before the steel dispute began, dockers and tugmen had

"We are not going to let so

until all three issues are settled," he said. Even so.

agreed to the miners' request to black the cargoes. Welsh trade union leaders were warning yesterday that the failure of the British TUC to throw its support behind the fight for job security and against coking coal imports could produce a major row at Friday's

Water workers to vote on rejected offer

BY PHILIP BASSETT, LABOUR STAFF

and balloted on taking industrial action over a pay offer worth 13.1 per cent which has been rejected by union officials representing all 33,000 manual workers in the water supply and sewage industry. The union has sent ont

circulars to branches in the industry asking members for their response to the offer, If they vote in line with the negotiators' recommendation to reject it, the papers carry e further question asking for support for any industrial

action. Mr. Mick Martin, public services national secretary for the TGWU; said yesterday that the results of the exercise would be known by January 16. Though the TGWU represents

the smallest number of workers in the industry of the three unions involved, its call for support for any action is a further indication of the strength of feeling in the Some representatives revealed

yesterday, in fact, that only untaking such a strong line pre- the award made by the Clegg vented the full trade nuion side comparability commission.

WATER WORKERS in the recommending a programme of General industrial action immediately Workers' Union are being after the meeting last month when the offer was tabled.

The GMWU will now decide itself at a recalled delegates conference in London next week

whether to call for industrial

action. The National Union of

Public Employees will also con-sult its membership, probably

before its executive meets on January 16. .The offer would raise average earnings from £81.28-£101.71 to £91.08-£114.16 and increase stand-by and call-ont allowances and other improve-

First results of a balloting exercise of TGWU local euthority manual workers, though, are indicating acceptance of a similar pay offer. Council manual workers caused considerable disruption last winter by industrial action, but e peaceful settlement this year has looked likely for some time.

Officials of the other unions

involved are also looking for a settlement, and the final results industry over pay this year. of consultations are likely to Negotiators have alreedy allow the unions to reach agree of consultations are likely to study this proposal. warned that the prospects of e ment for the Lim workers at settlement being reached with-out industrial action are bleak ployers' side on January 17. The offer raises current basic rates from £47.28.156.67 to easiness among some delegates £53.07-£64, though from April 1 of the moderate General and e further £1.38-£4.91 will be Municipal Workers' Union at added as the second stage of

Strike call to hospital blood transfusion units

LABORATORY be asking their members what to be asked to action to take.

technicians are to be asked to consider selective strikes in the emergency blood transfusion and pathology services unless the National Health Service improves on-call payment rates by the middle of this month. Talks between the staff and

management sides of the Whitley Council broke down on December 21 and no further meetings have been arranged. The staff side has presented the four unions involved with options of stepping up the industrial action they heve been taking since November.

These include selective strikes by the 16,000 laboratory technicians, involving stoppages lasting three or four bours at a time, and the complete withdrawal of the union side from a national agreement, to force talks on local agreements for emergency

Mr. Reg Bird, a national officer of the Association of Scientific, Technical and Managerial Staffs and secretary to the staff side, said yesterday that In the sbsence of a satisfactory answer from tha management, the unions would

A mid-January deadline was probable, be said. The technicians are claiming

increases in the on-call-at-home payments from £3 to £10 and call-out allowances from £4.55 to £7.50. ASTMS, the Confederation of Health Service Employees, the Nstional and Local Government Officers' Association and the National Union of Public Employees bave been discussing the emergency work payments since December, 1978.

Technicians are at present refusing to make out emergency call rosters, slowing down the allocation of work. The management's latest offer was a choice of either a £6 call-at-home payment and a call-out allowance of £5, or an at-home payment of £5 and a call-out allowance of £5.50. Both offers were rejected. The unions say that several local health authorities, particularly in Scotland, bave reached their own arrangements over emergency payments.

The Department of Health and Social Security says the effects of the dispute have been making 20 of them redundant on less than was feared and support for the action patchy.

Railmen agree to wait for £2 rise

BRITISH RAIL'S three unions yesterday agreed to the British Railways Boards decision not to consolidate immediately into basic rates, as had been expected, the remaining £2 of an outstanding supplement.

The board's decision is seen es an indication of financial following the Government's decision to reduce its cash limit from £730m to £715m as part of its spending cuts.

The three unions agreed after a meeting of the Railway Staffs National Council, to accept the board's proposal to help it out of its financial difficulties. But they insisted that when payment is made in March it should be backdated to January 1.

The board has agreed to The dispute centres on the consolidation of the final third of a £6 supplement established Government's pay controls. Last year's 12-13 per cent settlement for British Rail's 180,000 workers included the consolidation of the first £2 of the outstanding supplement.

Recruiting ban

The Railways Staffs National Tribunal later decided that the other £4 should also be consolidated in two stages, in August and on January 1 this

year.
Union officials privately admit that industrial action over the issue is unlikely. But Mr. 3id Weighell, general secretary of the National Union of Railwaymen, the largest union in the industry, said that if the board did not pay the supplement or did not backdate it there could be trouble.

The Board still intends to impose a recruitment ban planned to last until February 1, and other economies such as a temporary freeze on expected merit and incremental increases. The recruitment ban in par-ticular bas met with little sympathy from the unions, who estimate that there are already 12,000 vacancies.

If the train drivers' union. ASLEF, does not ettend, e further meeting with the Board to discuss productivity, the NUR will almost certainly press ahead alone with its £300m pay and conditions claim.

Bedding jobs go REST ASSURED, the Northampfon bedding manufacturers, who put 180 workers on a three-day week before Christmas, are now January 18. The cuts are because

of a fall in orders.

A STRONG attack on Government proposals for controls on local authority spending has been made by the National and Local Government Officers' Association.

Local Government, Planning and Land Bill published last month, represents "heavy

NALGO argues that the proposed controls on capital spending by local councils and the introduction of a unitary grant system would lead to central government interference. It would mean a fundamental change in the rights of local authorities to raise and spend money to

NALGO attacks spending controls

The union's journal says the fetters on local democracy.

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onl-day conference organised by the IPS to discuss the practical problems of trading and setting goods acquired on buy back.

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CONTRACT DEVELOPMENT AND PROTECTION.

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IMPLICATIONS OF COUNTER TRADE ON THE MODERN WORLD.

For furthe information contact. Conference Department. Tel: Ascot (0990) 23771



LEGISLATION which will give other factors. millions of couocil tenants the right to buy their own bomes is Government's most important election promises. But there is bitter argument over how much this move may cost the country. The Government, in publishing the Bill, claimed that the sale of 10,000 dwellings would

save the country up to £40m over five years. Opponents ergue, bowever, that over a long period large-scale and indiscriminate disposal of local euthority bousing will result in substantial losses. The financial implication of council house sales is the subject of three separate Westminster and Whiteball investigations, which follow's similar

study by the Environment

Department under the Labour

Government. But there is little

optimism that the findings will

resolve the debate.

Options As Mr. Michael Heseltine, Environment Secretary, recently admitted, the results of any financial analysis "will abow exactly what you want it to show, depending what assumptions you build into it.'

He has asked his Department to prepare a range of options, the results of which-judging by previous inquiries—will vary enormously, depending on what that the cost of replacing a surplus as inflation reduces the view is taken of likely future bouse will invariably be higher impact of debt charges while rental iocome, inflation, interest theo its sale price. This is at the same time acting as a rates, Government subsidies and undoubtedly true, but it is an spur to rents.

though carried out by bodies now enshrined in the Housing strongly opposed to the recent Bill, fulfilling one of the legislation—agree that local authorities might be expected to show a financial gain in the first few years after a council

The Chartered Institute of Public Finance and Accountancy has mapped out bow gains can arise in that first year. They occur because e council might be expected initially to derive greater benefit from the interest oo investing sales proceeds than it echieves from rental income, after meeting running costs and debt charges on loans to build

that the first-year gain on a 1924 bouse - huilt for £400 and sold for £3,500 after a maximum 50 per cent discount - would be £290. On a more modern London home — where costs are much higher - the first-year gain is just over £1,000.

gains, based on a concessionary rather than a statutory sales programme, does not embrace all the ramifications of the new "right-to-buy" legislation. It makes no allowance, for replace dwellings sold.

Most previous inquiries—even

the property.

The Institute study shows The Institute admits, however,

that its analysis of first-year

example, for any programme to A basic argument against a statutory sales policy which in- later in their life conneil cludes a right to a discount is bouses eventually move into

ment's determination to take a the level of profit or loss a slice of the capital profits made oo the sale of council bouses. Further, a new system for providing housing subsidies has been announced since the Institute's calculations were

Inflation Despite this - and allowing side authorities lose rental for a very low new public-sector building programme - there eems little reason to deny that council house sales should result in e saving to local authority housing revenue accounts at least in the first year. But the further one goes from

the base sales year the harder it becomes to arrive et any meaningful conclusion. The fac-During the early years of a property, the cost of meeting debt charges and running costs traditionally ontweighs the income that a local authority

can expect to receive in rents

and governments subsidies. But

if it is not sold. Simply expressed, council house sales generate gains for tenance costs and from interest on sales proceeds. On the debit income and government sub-sidies. Debts outstanding on the property can be excluded.

make over its remaining life,

sold or not. Opponents of statutory sales point out that savings to the Exchequer arising from the removal of housing subsidies on the sale of a property should be tors to be taken into account compared with tha level of are numerous, but any analysis mortgage tax relief which will must depend on whet view is be made available to support mortgages.

have to be repaid whether it is

equation answers can vary dramtically, depending on what levels of inflation, interest rates

£40m at a profit of £18m.

Even assuming that the same

inconclusive argument et a So it is not enough to But another study of sales in time when the public-sector examine simply the crude Nottingham between May 1976 bouse-building programme has capital profit on council bouse and May 1979, suggests that reached its lowest ebb since the sales and the income thus there will be an eventual loss to last war.

The Institute figures bave not ment. Some jndgment and \$75m.

taken into account the Government's determination to take a the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and many 13/3. Suggests that the lovel of profit or loss and the income thus there will be an eventual loss to generated through relined to the lovel of loss and the income thus there will be an eventual loss to generate the lovel of lovel or love

the level of profit or loss a cause the former study looked property might be expected to at a crude surplus between sale price and the cost of building the properties, while the latter looked at the long-term effects on the revenue account based local authorities whose savings on a wide range of assumptions, are on management and main- which themselves are open to

Market price The Chartered Institute of

Public Finance and Acountance from the equation as these showed in its study-which looked at three different categories of house, one built in 1924, and two in 1972—how, by making marginal changes in anticipated rates of inflation and interest, e profit on a sale could just as easily become a loss when considering the remaining life of a property.

In terms of local authority taken of likely future rental in. purchases, given that most sales current-account spending thereare likely to be financed by fore, it remains unclear what effect council house sales will have over a long period. But basic factors are included in the opponents will point out that whatever the impact on current spending, the Government will still be authorising the sale of and so on are considered prob public-sector assets at below

market and replacement price. Announcing the Housing Bill, It is perhaps here, and with Mr. Heseltine referred to actual the social arguments for and sales of council houses in Not against council house sales, that tingham which beve raised the most meaningful debate will emerge. meet local needs.

Shine with Shino, Flush with Sanfect

world," wrote Dorothy L. Sayers in the final, laconic paragraph. The truth is that while the of Murder Must Advertise agurework that underpins these Eat More Oats. Take Care of your Complexion . . . Shine your Shoes with Shine . . . Bung's Reer is Better. Try Dogsbody's Sausages. Give them Crunch-leis, Suagsbury's Soups are Best-for the Troops. Morning Star, best-Paper by Far. Flush your Kudileys with Fizzlets. Flush your Drains with Sanger Whifie your Way to Fortune...

to Murder Must Advertise, Miss will impose themselves on the Sayers, herself a former distin-Sayers, perseir a former distinguished advertising copywriter, dependent sectors of commerce
said she did not suppose there and industry is simply not
to be a more harmless or lawabiding set of people in the
world than the advertising for 1980 it is helpful to experts of Great Britain"—on which note she plunged into a depiction of them as flighty. grasping, scheming, neurotic practitioners of a profession notable for combining, to a unique degree, cynicism with

Forecasts

Really, they're not that bad. Many of them are perfectly decent fellows, though to listen to some of the gloomier forecasts currently pervading the advertising business is to admit that at present its insecurity is showing through.

To paraphrase these forecasts: "Company profits are expected to fall sharply in 1980. Markets will contract as inflation starts." to fall sharply in 1980. Markets not translate very cheerfully will contract as inflation starts into constant (1970) money to bite and as investment, contents. As the AA says, it is sumer and Government expendi-ture levels fall back... Falling profit levels will at once hit product advertising budgets, as well as special areas such as corporate and recruitment advertising. After the first quarter of 1980 there will be propounced falls in real advertising expenditure levels, lasting well into the first half of 1981... In summary, there are strong indications that the first half of 1980 will usher in a real recession in advertising expenditure, though to start with it will expenditure between 1978 and by subscribers. As it is, chair financial director. It's a very recapture share of market be obscured by a spill-over of 1979 of approximately 1.5 per man Peter Marsh has no plans short-sighted advertiser that the economy turned good bookings from the 1979 of approximately 1.5 per man Peter Marsh has no plans short-sighted advertiser that the economy turned good bookings from the 1979 of the start of the control of the public of public of problems. The latest the control of the start of the control of the start of the st

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progressively from the spring of excluding

figurework that underpins these expenditure figure for 1978 was £16m. Current annualised bill though that is very conservation of least \$100m by the end of 1980, operated by the Interpublic forecasts is virtuous in the £552m. Last year it fell to ings are £43m, split between tive."

Expenditure figure for 1978 was £16m. Current annualised bill though that is very conservation of low advertising companies. The centre has analysed extreme, the language in which £554m, and in 1980 it is only 23 clients. It is partly this. A key to how advertising the results of all post-war U.S. it is being interpreted—expected to slip to approxim-concentration on blue-chip budgets bold up in 1980 will be recessions. Not surprisingly, "pronounced fails in real levels ately £550m.

This is a fall in projected real expenditure." "recession,"

This is a fall in projected real expenditure forms of less than of expenditure," "recession," "shake-out"—is almost as exaggerated as the product claims for Crunchlets or Dogsbody's Sansages. No one pretends that 1980 will offer an.

armchair ride for agencies or Forty-seven years on, nothing advertising business is about to Murdar Must Advertising business is about to more capital-intensive, energy-

> appreciate what happened last year. Mike Waterson, research director at the Advertising Association, says that 1979 should have been an ontstanding year for advertising expenditure—a continuation of the boom that began in late 1976. As it was, four factors conspired against it: the ITV strike, the road haulage dispute, the engineers' strike and the suspense for most of the agencies are making all the right noises. They reconstitute the intensity as the year wears on competition is bound to intensity as advertisers themselves for most of the mean to the server come under pressure. absence, for most of the year, of Times Newspapers (to which must be added the continuing saga of disruptions throughout the rest of Fleet Street).

The AA estimate for total media expenditure in 1979 is £2.07bn, compared with £1.834bn important to disentangle underlying expenditure trends last year from ectual results

TV strike

According to the AA, in the absence of the TV strike alone. 1979 would have produced a fourth successive year of growth in real advertising expenditure.
There was in fact a strike-induced fall in real advertising

expenditure terms of less than I per cent. However, it must be remembered that forecasts for 1980 follow, the artificially depressed expenditure level of 1979. Tha most inspired guess is that had the TV strike not happened, the 1980 ad spend, in real terms, would have bad to be forecast at some 5 per cent below the 1979 total. (True pessimists among the fore-casters pitch the anticipated fall, across all media, at np to 10 per cent; optimists predict break-even.)

There are too many imponder ables, both at home and abroad, to forecast with any precision the eventual outturn tising business for 1980. But

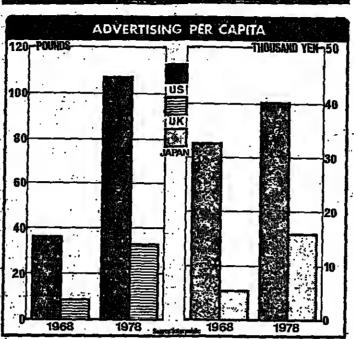
On the agency front, it seems likely that 1980 will generate a bigger turnover of accounts than 1979 as marketing managers, reacting to pressures from their finance departments, take an ever closer look both at budgets and how they are spent.

One view is that pressure for

so-called increased advertising efficiency will benefit the large, full-service agencies at the expense of the creative boutiques and fun shops. Either way, those agencies that managed to enter 1980 on a wave of growth are those most likely to benefit from the mêlée. This applies particularly to two British-owned agencies:

For now, ABM can do no wrong. If it were to go public tomorrow it would be swamped

excluding production costs, as much new business in 1980 including our New York the Centre for Advertising directories, posters, cinema and as it did last year, when total agency, we hope to be billing at Services in New York, which is radio, the advertising media new business gains amounted to least \$100m by the end of 1980, operated by the Interpublic



The chart-shows comparative advertising levels in the UK. U.S. and Japan on a per capita basis, based on exchange rates for 1968. Although advertising spending rates are growing faster outside the U.S. than in it, they still trail far below U.S. levels. According to Robert J. Coen of McCann-Erickson in New York: "As the economies of more and more countries expand and approach the U.S. level, the need and demand for consumer advertising will escalate." According to his forecasts, by 1988, U.S. advertising expenditure will reach \$115bn. Expenditure nutside the U.S. will add a further \$120bn for a global total in excess of a quarter of a trillion dollars (\$0,25 tril.).

Saatchi and Saatchi, which is machine in European advertis- bebest of their finance departnow jostling the U.S. owned Big ing, though in truth, the ments. There is absolutely no Three for billings supremacy, reasons for its success are more doubt that during the ard, to an even greater degree, profound than that. Allen Brady & Marsh, Another agency

bookings from the 1979 TTV cent. Long to go public at present ABM's cuts his advertising budget in a ... How to advertise in a recession will build. At constant 1970 prices, and ambition is to put on at least slipping market. As a group, sion has been documented by

ABM from what used to be shown by advertisers in resistcalled a lingle shop into the ing short-term pressures to most irrepressible new-business savage such budgets at the advertising slump of 1974-76, Another agency that can't when budgets were decimated, wait to get into 1980 is the many advertisers grossly overpublicly-quoted Geers Gross, reacted, making it all the more We're very bullish, says its difficult for themselves to recapture share-of-market once

in sales momentum with major

cuts in advertising budgets. In particular, it cites the case of Chevrolet: "When the of Chevrolet: "When the energy crisis hit in early 1974, the managements of automobile companies, both domestic and import, took different points of view. Chevrolet maintained its program at 100 per cent. Most of Chevrolet's competitors cut their advertising spending drastically. Before the year was out, Chevrolet gained 5 share points — one of the sharpest changes in anto marketing

(This hardly provides us with glimpse of the total auto situation, but no matter.)

"Loss of sales momentum following ad budget cuts is no different in times of reces-sion, or energy crisis, or shortages—no different from normal times. Share of mind leads share of sale. Corporate managements may have excellent reasons to cut ad budgets but ad budgets aren't quite the variable (that) some managements believe. There is a trade off of future sales which bas to be considered."

Propaganda

ment of its propaganda element, "corporate managements" are still left with a great deal to

In any case, beyond 1980, internationally advertising almost certainly faces a decade near-unprecedented expansion. According to Robert J. Coen, a senior vice-president at McCann-Erickson in New York: "A new trend in advertising growth is now clearly evident. The return to greater utilisation of advertising does not appear to be a temporary phenomenon but one similar to the extended period of consumer marketing ectivity that occurred following

that began in 1976 should continue over an extended period of time and modest economic variations will probably have little effect on present trends. Advertising as a percentage of gross national product had been declining up until a few years ago in most of the key industrial countries around the world. Now the trend is in the other

He says that between 1968 and 1978, advertising expenditure rates in the UK, Japan and Brazil grew faster than those in the U.S., though the level of spending in all three countries was still far below that of the U.S. (see chart for Japan and

Global spend

direction.

As the economies of more and more countries expand and aproach the U.S. level, the need demand for consumer advertising messages escalate."

It is for this reason that Mr. Coen forecasts a global advertis-ing expenditure level by the end of this datade of more than a quarter of a trillion dollars. Forecasts of what may bappen

to advertising internationally may be thought a trifle removed from affairs inside the latest creative boutique in London's Greek Street or the newest fun shop in Covent Garden; but advertising, already a fully internationalised business, is becoming ever more complex as large agencies join forces with large, as groups merge into combines and as the combines themselves aspire to con-

glomerate status. Witness the edifice of Inter-public. Witness—on a much smaller scale but in a move that reflects the times—yesterday's news that the Lopex Group bas bought a 40 per cent stake in the 38th ranked U.S. agency, Warwick, Welsh and Miller to add to an extensive European consumer agency portfolio.

But a quarter of a trillion dollars? Why, yes. Bung's Beer is Better. Try Dogsbody's

is Better. Try Dogsbody's Sausages. Eat Crunchlets. Snags bury's Soups are Best for the

Advertise, or go under.

Lopex **buys 40%** of U.S. agency

IN A BOLD move into the lucrative U.S. consumer advertising field, the Lopex Group has acquired a 40 per cent stake in Warwick, Welsh and Miller Inc., whose expected turnover in 1979 was \$84m. WWM is based in New York with an office in San Diego. Gross world income in 1978 was \$12.1m, giving it 38th spot in the annual lists compiled by Advertising Age, writes Michael Thompson-Noel,

In addition to consumer advertising, Lopex is involved in recruitment and financial advertising, PR, design, sales promotion, market research and computer and information ser-

WWM clients include Benja-

min Moore, Brooke Bond Foods, CPC. Heinz, Sterling Drug and Seagrams. Its most recent account gain was King-Cola. The Lopex chairman and chief executive, John Sykes, says the deal "should open up new opportunities as many of our clients in Europe are acquiring or developing their businesses in the U.S." Both companies are private; both will

● IN A RESHUFFLE of Government advertising contracts, the £800,000 Department of Industry campaign bas moved from Dor-lands to Freeman Mathews and Milne, and the £150,000 Export Credit Guarantees Department business has been switched from Colman and Partners to David-son Pearce. The £1.2m Pedestrian Road Safety Campaign, currently at Ogilvy Benson and Mather, is being competed for by CDP, OBM and JWT, while the £650,000 Department of the Environment campaigns, also at OBM, are being competed for by Doyle Dane Bernbach and FMM The revised budget for Government advertising in 1979-80 is £23.7m. From April 1, the COI is replacing commission payments with "cost-plus" payments.

MASIUS is to handle a \$1.5m budget for Laker Airways via its London, New York and Los Angelea offices. Masha's UK billings last year were £64m. Despite the ITV strike its profits were "pretty close" to target.

O D'ARCY MACMANUS AND

ENTER EXPERIENCE PERSONNELLERS

- NAVIGATION

Space radio will aid the ships

TWENTY NINE countries with Organisation and the first of shipping interests have got these is to go into orbit over the together to form the Inter- Indian Ocean before the end national Maritime Satellite of 1981.
Organisation whose Inmarsat satellite communications system will revolutionise radio come system. traffic between ships and the Inmarsat is to have its bead-

quarters in London and has elected its first director general to hold office for a six year term. He is 37-year-old Mr. Olof Lundberg of Sweden, at present head of frequency planning of Televerket; the Swedisb Telecommunications Administration. He is expected to take up his new job in mid-January at offices on four floors of the Covent Garden Authority's Market Towers The new network will have

six safellites in pairs in geostationary orbit 22,300 miles above the Atlantic, Pacific and Indian Oceans and ships at sea will be able to bounce their radio messages off these to reach any of at least a dezen Marisat still has to be transground etations at sites in mitted onward across the different maritime countries. Atlantic or Pacific by submarine Britain's PO is providing-one cable or conventional high station at Goomhilly Downs in frequency radio to reach its Cornwall where a new 13 metre destination: dish antenna will beam to the Atlantic satellites Another at Eik in Norway will be operated for the Nordic countries. The USSR will build one at Odessa. on the Black Sea and another centres all over the world. Unat Nakhodka near Vladivostok, like Warisat it is a completely

two available at Santa Paula in California and Southbury in Connecticut while one at Yamaguchi in Japan is also foreseen. Other countries offering ground station sites Anstralia, Canada, Italy, Ruwait and include Singapore.

The first of these satellites should go into orbit from Kourou in French Guiana by the end of this year on the largely. French-built Ariane 1.04 rocket.
This satellite will be one of

three for which the European Space Agency has awarded 2 contract to the British Acrobe provided by the International as source material for its over-Telecommunications. Satellite sens broadcasts.

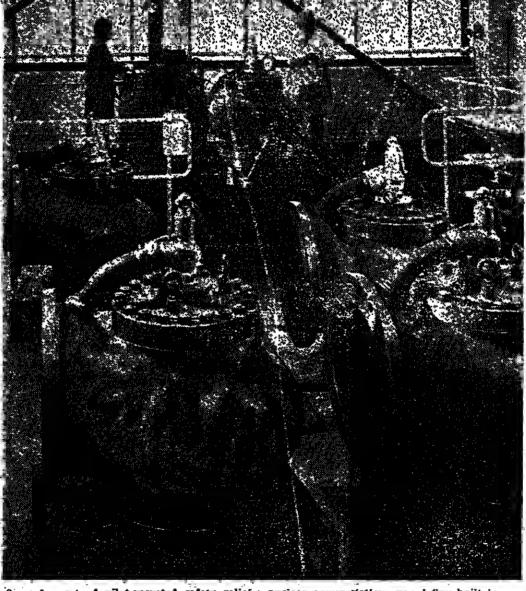
Inmarsat will supplant the

come system which is managed by Comsat General primarily for U.S. Navy use. Three years ago Marisat offered its spare channel capacity for use by commercial shipping but the priority demands of U.S. Navy radio traffic have limited this capacity to about half a dozen channels. Thus, even though no more than around 300 out of all the world's merchant ships beve been equipped to work satcoms, users often have to wait up to an hour for access to a Marisat satellite. Even so, their messages must return to Earth at one of the three Marisat ground stations on the east and west coasts of the U.S. and in Japan. This is of little or no benefit to shipowners in Europe and other areas distant from America or

As Inmarsat comes into operation, its wide spread of ground stations will need only • COMMUNICATIONS short landline links between them and shipping industry The U.S. is expected to make like Marisat it is a completely system with no military or single-nation priorities. Access to Inmarsat satellites will be virtually on demand by the 2,000 or more ships expected to be equipped to use the system by the early 1990s.

Britain's share in Inmarsat (through the Post Office) is 11 per cent of which I per cent is subscribed by Cable and Wireless. This is the third largest investment. U.S. has the largest with 22.5 per cent, and the Soviet Union second largest with 14.17 per cent.

space Dynamics Group, acting By agreement between the as prime contractor for a con-Financial Times and the BBC, sortium of European space hard-information from The Technical ware manufacturers. The other . Page is available for use by the three satellites to be used will Corporation's External Services



One of a set of pilotoperated safety relief. nuclear power stations now being built in valves for the St. Laurent de Chinon nuclear power station in France undergoing rigorous steam test procedures at the Skelmersdale, Lancs, works of Dewrance. The company is also supplying valves of various types to

Korea and at Valencia, Spain. The pilotoperated valves are used for controlling large bodies of steam at low pressure. Their action is triggered off by the operation of smaller safety relief valves.

AN INTERESTING example of the progress being made by ments of equipment orders for satellite to cable TV operators button so that in future stepplaced by the newly formed Cable News Network (CNN) of Control forms and Capture Stepplaced Cable News Network (CNN) of Control forms and Capture Stepplaced Cable News Network (CNN) of Control forms and Capture Stepplaced Cable News Network (CNN) of Control forms and Capture Stepplaced Cable News Network (CNN) of Control forms and Capture Stepplaced Capture Atlanta, Georgia.

Scientific Atlanta is to provide six earth stations worth signals studio and portable colour cameras valued at \$1.8m.

complex to collect and distri- in these bands will be interested receivers for closer analysis or bute news to the U.S. cable in the WJ 8617A receiver which monitoring. The receiver can television industry. There are uses fully synthesised tuning now more than 4,000 cable tele- over the 20 to 100 MHz range vision operators in the country, and can scan-step between over half of which have equip- signals. ment for receiving satellite

will be able to pick up news exceed private cable television and from many regions using levels. The operator can then satellite communications in the various satellites and relay it listen to the signal and if it is of

ULTRA AND very high fre-

relayed programmes. CNN ha: processor the instrument can for seven domestic news bureau: in example, be used in the "scan' New -York - Washington DC. mode which allows rapid search-Chicago, Miami, Houston, San ing through operator-entered Francisco and Los Angeles as frequency bands of interest, well as Atlanta. . . stopping at all signals in which Thos, the aerials at Atlanta activity and signal strength operator-programmed

It is even possible to make the receiver dwell only on signals that bave been selected by special demodulators for their particular properties their particular properties (modulation type for example): construction will use its new Atalanta be aware of particular activity can be "handed off" to other

> remember up to 96 channels Manufacturer is Watkins Johnson International, 4 Shirley Avenue, Windsor, Berks. SIA With the aid of a 6800 micro- 5JU (07535 69241).

More power to home unit | CUBITES

LOW-COST, A stand-alone, per- by plugging a further memory sonal computer system with its, module into one of the input own interactive graphics has output ports on the back of the been given a world launch by machine. Hewlett-Packard.

ful central processor, type-tion in easy-to-understand pic-writer-like keyboard, cathode torial form. For example, techray tube display, printer, tape nical users can check test cartridge and graphics capability results and calculations by doing in a system the size of a port-curve fitting and distribution able electric typewriter. BASIC analysis on the screen: business programming makes it easy to users can see trends in business use for those without previous operations by looking at a chart computer experience. A 20-key or curve instead of long lists of numeric pad ensures that data numbers. Further, any graphics entry or performance of routine arithmetic operations is served through the built-in

Four input/output ports will be commande connect to a variety of optional ing one key. interface modules, giving it HP, with it powerful capabilities in data ence of powerful desk-top calcuacquisition and control applications. Furthermore, the input/output ports will let the user expand the system to include plotters, printers, disc drives and other peripherals

of read/write memory, with 1982. 14,500 bytes evailable to the He user. The read/write memory can be expanded to 32,000 bytes (30,500 bytes available) simply

Speeding up progress

ANNOUNCED BY Intel is a microcomputer centre which employs 7.3 mega-

The company saya that the system offers twice the perfor. More from 4 Between Towns process time, strain and tem-mance and an order of magni- Road, Cowley, Oxford OX4 3NB perature data and store it or: tude of more program, capacity (0865 771431).

Users can plot data on the dis-HP85 is a unit with a power- play to clarify complex informadisplay on the CRT can be pre printer — an operation that can be commanded simply by press-

> HP, with its extensive experilators is working from a position of expertise to capture a significant share of the per-sonal computing market, This has risen from zero in

1975 to an estimated \$330m this HP85 comes with 16,000 bytes year, with \$3.5bn predicted for Hewlett-Packard, King Street Lane, Winnersh, Wokingham, Berks, RG11 5AR. Wokingham

784774

than its current systems. Intended mainly for 8086 and 8085 users it will suit those with large numbers of programs to compile, assemble, link and locate. Model 240 provides all the

development hardware and software development tools necessary for the rapid development of a microridge storage and an internal flexible disc of 250 kilobytes.



• RESEARCH Control of strain gauge

PPM, calibration and datalogger specialist, is to supply the National Engineering Laboratory in East Kilbride with a novel IEEE 488-compatible scanner, the PPM 8000. This 800-channel system ia for the NEL creep laboratory and will be used where the time-dependent strain behaviour of

engineering materials at high

temperatures is investigated. The tight temperature control required by B.S. 3500, to which the Laboratory's testing con-forms, necessitates accurate measurement over long periods of time and in this connection the PPM Scanner will monitor some 780 thermocouple outputs from over 200 test units. The system controller, a Hew-

lett Packard 9835, will drive and collect data from the Labora-tory's bigh accuracy strain's measuring enuipment and with the appropriate software, will

magnet'e disc.



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Ref: GM3/7174/FT.

Initial interviews are conducted by PA-Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope. and advise us if you have recently made any other applications to PA Personnel

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Please telephone, in confidence, Mark Sterens



(RECRUITMENT: CONSULTANTS)



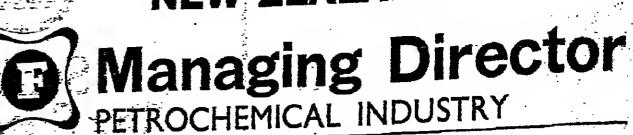
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RATE £19.50

PER SINGLE BOLUMN BENTIMETRI

NEW ZEALAND



The New Zealand Government has recently approved the allocation of natural gas to be used in a major (2000 T Day) Methanol Plant. Two similar-sized plants converting the gas -into gasoline by the new Methanol Mobil ZSM-5 class catalyst route will be built to enable New Zealand to achieve 50% self-sufficiency in gasoline. These plants together with the extraction of higher hydrocarbons and other downstream activities will involve an expenditure well in excess of I billion dollars over the next decade.

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Full details of experience, qualifications, etc., should be airmailed to: Executive Director Energy, Fletcher Holdings Limited, Private Bag,

Other professionals interested in participating in these ventures, both as project a reasonable and later do the congoing operations are also invited to submit their resumes.

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Bank of Bermuda, ... Grocers' Half, Princes Street, London EC2R8AQ.



THE BANK OF BERMUNA

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Special consideration will be gluen to candidates the also have extensive that test experience, a quivarely degree and a good knowledge of current effairs, with a broad range of interests. The job carries a salary of 17,547 for a company or and a number of significant trings hareful.

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Ref: A8807/F1

REPLIES will be forwarded, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should. include comprehensive career details, not refer to previous correspondence with PA

PA Advertising



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PHILLIPS & DREW, established in the Local Authority Market since 1952, are seeking to expand their existing team. Vacancies exist for trained dealers with two or more years' experience.

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Windsor House, Temple Row, Birmingham 82 51.0 (Reference DPC)

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in the second

Managing Director

South East c. £20,000

Our client company is an established leader in a specialised industrial plant field with a turnover of around £3m and every prospect of doubling this by diversifying. A member of a large group it has strong financial and technical support, and the approaching refinement of the present Managing Director provides an opportunity for reorganization.

This appointment calls for a person with proven success in the management of a concurry in the engineering industry, preferably as Chief Executive. An engineering background is essential, and sound commercial judgement and the ability to motivate at allievels are equally important. Age ideally around 45. - Telephone 01-248 6113 or write for an application form, quoting reference 2488/L to E. W. Cornford, Executive Selection Division,

165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

Peat Marwick Mitchell & Co.

ACCOUNTANT - JORDAN

An active and expanding company involved in irrigation throughout the Middle East is anxious to employ a qualified accountant. The successful applicant will report to the Finance Director and will beviresponsible for the presentation of rountily management ber responsible for the presentation of rountity management accounts and the provision of financial information, budgets, cash flows etc. Candidates should bayo the ability to supervise and organise the work of a small accounts department. The position is situated in Amman Jordan. The remuneration package includes company-maintained motor vehicle free housing, generous cost of thing allowance, free medical and life insurance cover, plus The position would ideally suit a single man in his mid-overnous.

The Finance Director will be in the UK to carry out interviews on the 7th and 8th January. 1980. Please telephone for an

Mr. F. Rademeyer CAMERON IRRIGATION COMPANY LIMITED Littlehampton, West Sinsex. Tel: Littlehampton (09064):3985

Male or Female

CANADIAN CAREER OPPORTUNITIES

We are a successful management consulting firm, specialising in recruiting and placing of professionals in many industries at various levels.

Due to projected expansion in 1980, we are also seeking professionals in the Career Development, and Executive Recruicing Division, Accounting and Finance, Technical, Secretarial, etc. The position offers a high degree of challenge opportunity and monetary rewards. We will be in the Strand Palace Hotel on January 3rd, 4th Str. For an appointment phone Steven Shaw (01-836-8080).



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S

78 F

Our address in Canada: STEVEN SHAW & ASSOCIATES, 696 Younge St., Suite 807, Toronto, Ontario M4Y 2A7

CONTRACTS AND TENDERS

Irish Gas Board

In connection with a proposed Natural Gas Pipeline System from Mahon to the Ringaskiddy aree which is scheduled for coostruction in the Spring and Summer of 1980, the trish Gas Board invites tonders from Contractors or Consortie experienced in the construction of Gas Pipelines and above ground installations for one or both of the following contracts:

Contract Number BGE/88/1

Comprising:
(a) approximately 14 km of pipeline of 450 mm and 300 mm
(a) approximately 14 km of pipeline of 450 mm and 300 mm

diameter pipe to e minimum depth of cover of 1.2 ro.

(b) approximately 0.5 km river crossing of 450 mm diameter pipe.

(c) Two above ground installations of the block valve design.

Interact Number BGE/80/2

Comprising:

(e) An ebove-ground installation including gas metering, filtering, heating end pressure control facilities.

(b) An above-ground installation of a Skid Type design.

(c) 0.5 km of 300 mm diameter pipeline suspended from two

bridge sections.

Application for tender documents in respect of either contract must be lodged with the undersigned out later than 120 noon on 15th

Jenuary 1700.

The application must be accompanied by e deposit of £100 in respect of each content, returnable on receipt of a bona fide tender not subsequently withdrawn. subsequently withdrawn.

Tenderers will be advised on dispatch of the tender documents of the closing detes of tender submissions. Tenderers will be required to

The Irish Gas Board does not bind itself to accept the lowest or any furnish evidence of competence. tender. Signed Secretary

BGE - Irish Gas Board P.O. Box 5], Inchera, Little Island, Co. Cork, Ireland.

PAPUA NEW GUINEA ELECTRICITY COMMISSION WARANGOI HYDRO-ELECTRIC SCHEME PRE-QUALIFICATION OF CIVIL WORKS TENDERS

interested contracting firms are invited to submit applications for inclusion on the list of prospectivo Tenderers for Construction of the Warangoi Hydro-Electric Scheme. The project is principally the provision of a 2 x S MW hydro-electric plent. The Civil Works for which pre-qualification is requested include construction of the following:

— 3600 M. long 12 m² concrete conduit. — 3700 M. long 12 m² headrace cunnel in soft rock, Vertical surge chamber 60 M. bigh, 13.5 M. upper diameter.

- 40 M. wide low concrete weir with a 15 x 2.5 M. gate, LOT NO. 2

intaks and sand traps,

— Stabilisation of the river-bed with about 1,600 piles,

- Foundations for a 95 M. long penstock

- Power-house with sten superstructure. - 600 M. long tail-race channel and flood protection

Lot No. 2 2 350 includes supply and erection of the hydraulic steel-Lot No. 1 is financed by the Asian Development Bank (A.D.B.) in

Lot No. 1 is managed by the Government of Norway.

co-operation with the Government of Norway.

Lot No. 2 is financed by the Overseas Economic Cooperation Fund. Participation in the prequalification is open to tenderers from the

following countries:
For Lot No. 1: The member countries of A.D.B. For Lot No. 2: The member countries of O.E.C.D. and developing countries covered by the Statistical Reporting Directives of D.A.C. of the O.E.C.F. Applications shall be submitted separately for Lot I and 2 on

official forms which are obtainable, together with the P.Q. brochures omera forms which are consultants for the project:
from the office of the Consultants for the project:
NORCONSULT AS, P.O. BOX 9, 1322 HOVIK, NORWAY. TELEX: 18815 NORCO N PHONE: 02-53 00 00
Submission of Applications closes on: 14 March, 1980



Senior Tax Specialist

Esso Petroleum Co. Ltd., is seeking a Senior Tax Specialist for its Tax Department located in Central London.

The post will involve all aspects of corporate group taxation including provision of advice to affiliated overseas interests on UK tax matters. There will also be involvement with other taxes. The requirement is for an understanding in depth of UK tax

legislation. The post would therefore, be attractive to an Inspector of Taxes (Higher Grade) with full technical training, or equivalent experience in the legal or accounting professions, or in

Age—up to 34. Salary is negotiable but will adequately reflect the responsibilities to be undertaken in this senior tax position. Write in complete confidence to: Recruitment, Esso Petroleum Co. Ltd., Esso House, Victoria Street, London SW1E 5 W.

LEGAL NOTICES

Notice to Creditors of

INVESTMENT PROPERTIES INTERNATIONAL, LIMITED

(in Liquidation)

NOTICE IS HEREBY GIVEN that all persons having claims against Investment Properties International, Limited, which is in process of winding up pursuant to an Order of the Supreme Court of Ontario, Canada, must advise the undersigned Liquidator on or before the 4th day of February, 1980. Creditors must submit their names and addresses, statements of their accounts, full particulars of their claims and the nature of their securities (if-any), proved by affidavit and by all available supporting vouchers. The Liquidator may be obliged to disregard any claims received after that date.

> MacPherson Hubbell, F.C.A. Permanent Liquidator c/o Price Waterhouse & Co. P.O. Box 51 **Toronto-Dominion Centre** Toronto, Canada M5K 1G1

Please note that this notice is not directed to shareholders, but only to creditors of Investment Properties International, Limited. It is not directed to any other company within the I.O.S. group.

EDUCATIONAL

"THE ABSORPTION OF YOUTH IN THE 1980s"

AIESEC, the International Association of Economics and Business Students, are running a SEMINAR on this current problem on 1st & 2nd APRIL 1980, in BIRMINGHAM

For information contact Peter Bourne 021-472 1301 ext. 3131

THE COMPANIES ACTS 1948 TO 1957
AQUARIUS EMPLOYMENT BUREAU

NOTICE IS HEREBY GIVEN that the
Creditors of the nbove-mamed Company
are required an er before the 30th day
of Januery, 1980, to eand their nomes
and addressee and the particulare of
their debte ar eleime, and the names
and addressee all their Solicitors, if

any, to

KEITH OAVIO GODOMAN, FCA.

of J/a decimals 50 me.

London W1A 3BA.

the Liquidator of the said Company,
and, if ee required by notice in writing
from the said Liquidator, are by their
Solleitors, er personelly, to come in
and prove their said debts er cleims es
such offee end place se shall be
specified in such notice, er in default
thersof they will be sacluded from the
benefit of any distribution made before
such debts are proved.

1879.

K. D. GOODMAN, Liquidator. K. D. GOODMAN, Liquidator.

THE COMPANIES ACTS 1948 to 1976

MADISON ARTISTS LIMITED

NOTICE 15 HEREBY GIVEN pursuant
to section 293 of the Companies Act
1948, that a Meeting of the Creditors
of the above-named Company will be
held at the offices of Leonard Curtis
and Co., situsted at 3/4 Bentinck
Street, London W1A 3BA on Monday,
the 7th, doy of January 1980, at 3,00
a clock in the eftemoon, for the
purposes mentioned in ecctions 294 end
295 at the said Act.

Conted this, 19th day of Occember
1979.

8y Order of the Board, Reginald J. Smith, Director. Reginald J. Smith, Director.

THE COMPANIES ACTS 1948 TO 1976
WISROOK LIMITED

NOTICE IS HEREBY GIVEN, pursuant
to section 293 el the Companies Act
1948, that e Meeting of the Creditore
of the ebova-nemed Company will be
held at the offices of
LEONARO CURTIS & CO.,
eitueted at 3/4 Bentinck Street,
Londen WIA 39A,
on:Friday, the 4th day of January 1980,
at 12 o'clock middsy, for the purposes
mentioned in sections 294 and 295 of
the epid Act.

mentioned in sections 254 and 255 of the edd Act. Dated this 20th day of Decamber, 1979. MRS. Z. LEWIS, Oirector.

PUBLIC NOTICES

NAMPSHIRE CORPORATION BILLS £6,000.000 Bills issued 2nd Jannary, 180. nt 15.6953125% to mature 30th mustry, 1980 Applications £42,000,000. GRAVESHAM CORPORATION BILLS 5500,000 Bills issued 2nd January 1980, at 15*95% to nature 2nd April 1980. Applications 54.250,000. Outstanding £500,000.

TRAVEL

GENEVA, Basie. Zurich and Berne. Wider range of cheap Oights from 4 UK air ports. Brochure FALCON 91-351 219

OBITUARY

the 22nd December. 1979, such the 22nd December. 1979, such the years, of Glentworth House, Glenty worth, Galmborough, Lincolnshire. The dearly loved husband of Dorothy devoted father of Lynds, Meryl and Paul, bruther Sylvia and address and address and address of Paul, be ampounced in

DRAWINGS BOND

REPUBLIC OF AUSTRIA 6% Bonds 1979/84

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.\$1,200,000 due 31st January, 1980 has been met by purchases in the market to the adminal value of U.S.\$484,000 and by a drawing of bonds to the nominal value of U.S.\$716,000.

The distinctive numbers of the bonds, drawn in the presence of a Notary Public, are as

| 14770 to 14773 14846 to 14861 14901 to 14819 14953 to 14855 | 14775 to 14783 14864 to 14868 14932 to 14635 14966 15024 15025 | 14799 to 14806 14878 to 14890 14940 14976 to 14983 15029 to 15036 | 14810 to 14819 14894 to 14896 14943 14944 14991 15045 to 15049 | 14834 to 14838 14899 14950 14994 to 14997 15054 15132 to 15134 |
|--|--|---|--|---|
| 15004 to 15018 18064 15172 to 15179 15249 15303 15304 | 15075 15198 to 15204 15252 15308 to 15322 | 15077 to 15105 15206 15261 to 15263 15327 to 15332 15372 to 15377 | 15111 to 16129 15229 15268 to 15274 16334 15335 15380 to 15383 | 15240 15278 to 15295 15337 to 15340 15386 to 15390 |
| 15356 to 15361 15392 16438 to 15443 15498 | 15366 15398 15399 15445 to 15457 15510 15511 15566 to 15571 | 15401 15402 15464 15465 15521 to 15527 15573 15574 | 15404 15405 15468 to 15472 16544 to 15551 15583 to 15586 | 15407 to 15425 15488 to 15492 15553 to 15655 15621 to 15628 15771 |
| 15558 to 15563 15641 to 15643 15776 15867 15868 | 15645 to 15650 15807 to 15812 15872 to 15876 15923 | 15667 to 15758 16818 to 15822 15879 to 15882 15928 | 15761 to 15765 15824 to 15830 15887 to 15904 15942 to 15956 | 15771 15841 to 15865 15906 to 15911 15966 to 15975 16064 16065 |
| 15918 to 15920 15995 16070 to 16074 | 15999 to 16026 16077 to 16088 | 16029 to 16033 16101 16126 16127 | 16035 to 16060 16110 to 16112 | 16114 to 16117 |

On 31st January, 1980 there will become due and payable upon each bond drawn for redemption, the principal smount thereof together with accrued interest to said data at the office of the S. G. WARBURG & CO. LTD.,

30, Gresham Street, London, EC2P 2EB.,

2140 2710

30, Gresham Street, London, EC2P 2EB.

2136

2697 to 2704

or one of the other paying agents named on the bonds. interest will cease to accrue on the bonds called for redemption on and after 31st January, 1980 and bonds so presented for payment must have attached all coupons maturing after that

U.S.\$4,800,000 nominal amount will remain ourstanding after 31st January, 1980. nds, drawn for redemption on dates given below have not as yet been preten-

| | DOUGE CHANGE OF A | COCILIPORA | | | | |
|-----------------------------------|--------------------------------------|------------------------------|------------------------------|--|---------------------------------|------|
| ted for payment. | | 31st Janu | ъту, 1978 | | | , |
| 16742 | 16761 to 16763 | 17147 | 17148 | 17152 | 17481 | |
| | | 31st Janu | ery, 1979 | | • | |
| 1287 1589 to 1593 2032 2033 | 7437 to 1438 1743 2051 to 2062 | 1441 1782 2064 2197 | 1442 1783 2065 2188 | 1512 to 1514 1879 to 1883 2086 to 2092 2261 to 2265 | 1549 to 2022 2130 2311 | 1552 |

Sid January, 1986

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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seeking diversification through acquisitions:

1. Leisuse compenies especification the bost hire, meline and resert project fields.

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patent rights to the variable cyclo concept of let-engine currently being
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illiary and civil aircraft through
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in the service industry is receptive to hearing from principals engaged in service industries who would like e quotation, ravorsing into an existing public company. There are no pre-requisites to negetiation but the ideal company would be making profits in the region et £500,000. Please reply to the chairmen, 50x G5083, Financial Emsa, 19, Cannon Street, ECAP 48Y.

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COMPANY NOTICES

At drawings made in Occambet 1979 in the presence at a Notary Public in Stockholm, Osposit Cortificates in respect of Bonds of THE GERMAN REICH 4% (FORMERLY 6%) EXTERNAL LOAN DRAWING OF 193D (the "Match Loan")
US\$520,900 were drawn for redemption as at the 15th January,

1980.

Lists of certificates drawn can be obtained at Lazerd Brothers and Ca.,

Limited, 21 Macrifields, London EC2P 2HT.

The certificates are poyable on the condition given in the certificates
es from the 15th January, 1980 at any at the offices of Skandinaviaka
Enskilde Banken and Gotsbanken as well as of the offices of the other
Paying Aparts.

Enskilde Banken and Gustaman Ton 15th Januery, 1980 on certificates

No interest will be paid as from 15th Januery, 1980 on certificates drewn.

Cartificates presented for redemption shall be eccompanied by ell tha interest coupons which are not yet due for payment on well as by the interest coupons which are not yet due for payment on well as by the taion. Otherwise, an amount equivelent to the missing coupons will be abbled.

talon. Otherwise, an amount equiverent to the state of the withheld.

The holder of a certificate which has been drawn will receive on its redemption a voucher in respect of the tight attaching to the certificate to receive "Funding Sende" when issued.

Any of the drawn certificates held on behelf of residents in the Unitad Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 12 pm end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be ledged between the hours of 11 am end 2 pm (Satur-Kingdom chould be le

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The Devil gets the good tunes

BY ANTHONY HARRIS

refrained from joining in the doubt that the slogan he would public argument on the merits paint up is the one once or demerits of funding through glimpsed by a cooosisseur in indexed bonds, because I may Harvard, be thought to bave something of an obsessioo about the Subject. The Standard Life's admir-servants to prevent their able Mr Wilkie, Mr. Alan Clark mesters from doing anything

Appealing

Recently, however, I heard ao argument against the whole approach which aeemed to me so wroog headed, and yet so likely to appeal to the powersthat-be, that I am moved to join jo after all. It goes like this. I quite understand about iodexation," said my luncheon neighbour. "It would do all

the things you people claim. But that's just the trouble. If you make Government borrowiog 50 simple, just think of what a man like Tooy Benn would get up to. You dare not put a weapon like that in his hand." I can almost feel the breeze as grey beads in Threadneedle Street ood io agreement.

Now only in a country with a national phobia about Mr. Benn reserved -who is not really very likely is unacceptable BECAUSE IT solutions WOULD WORK. whether, is

Street a messenger to "find out what Johony's doing and stop him."

A whole geoerstion ago Francis Cornford elaborated the doctrine of Unripe Time. Along

† Indicates programme in black and white

BBC 1.

I HAVE RATHER studiously with a spray can. I have little I remember: as "PROCRASTINATE NOW!"

Since it is the job of civil MP and the rest of the great rash, one can sympathise with and the good cao probably do this approach from their point better without any help from of view. I have a good deal less me-apart from the fact that I sympathy for a City man whose am not actually in favour of only direct interest is to precost-of-living indexation (not serve the huyer's market in even for Civil Servants on pen- gilts. But a politician, surely, sions) and don't want to confuse should be on the other side of tbe argumeot. The plain fact is that if there

is a solution to the funding problem which is being obstructed by official advice, that obstruction will be overcome sooner or later: it always is. The path to every major policy change, from devaluation to floating and no doubt back loto the EMS, to the imposition and to the abolition of exchange controls, to indexing tax allowances and littered with the dead hodies of advisers. The argument that Opposition cannot he trusted with some oew weapon is equivalent to saying that the Opposition should have a mono-

poly of it. Limitations

In short, the best tunea are for the Devil, officially. Please oote that what to lead the Lahour Party—could is really at issue here is not such an argument be put for funding policy, but democracy; ward with a straight face. Only it is not whether indexation in Britsin, in other words, can would work, but whether poliooe argue solemnly that an ides tieians can be trusted with whether io the loog ruo, they Anyone interested in such can be prevented from trying matters has long got used to them. Now it may well be that hearing such arguments in the Bank officials and civil seror vants are right and politicians Treasury Chamhers. Our public are not to be trusted. Their servants, in their Platonic devo powers should perhaps be tion to continuity, have always limited, by a written Coostitumodelled their strategy on the tion or by a Bill of Rights. apocrypbal mother who sent out Perbaps the present rather anti-

with the doctrices of Admini- stitution-limitation by delay strative Difficulty, of . Io- and by manufactured crises, compatibility with our Obliga- and by barring the road to sound tlons (to the EEC, the Special solutions, always labelled the Relationship, or any other con- Easy Way Out. If there is an venient household god). If any easy way out, as the Economist hard-pressed civil servant once argued, why not take it? should so far forget decorum as The barriers will only stand to break loose in Whitehall uotil they are assaulted.

Screen Test. 5.0 John Craven's

Newsround, 5.5 Blue Peter. 5.40 News. 5.55 Nationwide (London

and South East only). 6.29

1973, two opinions could be heard. Some believed that the Arabs would never agree on a minimom price. Others thought that if they did, the West would not stand for it. The price of

crude was then approaching \$5. ja barrel. It took seven years and the hardly be regulated without price hitting \$30 before the OPEC cartel cracked - because the oil producers did not agree hand and of the exterritorial on a maximum price so that the application laws on the other. sky is now the limit unless the oil consuming countries make for the first time, be called a stand. They are vaguely hint- upon to administer the new ing that they might. For the time heing, however, the industrial countries are under more than one form of pressure, ticularly in antitrust and pro-Without some rules, no business ia possible. All will suffer if newly-erected defences may the structure of international well be useful also against trade and finance is allowed to other countries which feel

of those watershed years.

When the oil crisis started in

Mandatory

collapse.

For some years now, tha demand for codes of conduct or even mandatory rules to protect the less developed countries against multi-national companies accede. has absorbed almost the entire attention of UN agencies. Tha tablea might be turned soon. It is the West and the multinationals that will need legal jurisdiction bas received anprotection if trade and transfers other dimension: not only of technology are to continue. British but also French and As hope of an immediate agree- German courts have been asked ment between Governments are to aort out the bundle of claims alender, it will be left to and counterclaims of American beadquarter organisations. It

of home-made rules. The from the freeze of Iranian claim was made, or indeed, recently published awards of dollar funds by President Carter whether it can be made—but erbitration hetween Libya and and from the attempt to the oil companies, whose con- obtain additional security for cessions were nationalised outstanding Iranian loans. (discussed in this column last An attempt has been made to

week) are evidence of the disobtain protection from U.S. courts for European branches enchanted lawyers' search for of U.S. banks observing the Chase Manhattan International contracts can freeze. obtained on December 12 from a U.S. Federal judge a temsome agreement on the restricporary order restraining Bank tions of sovereignty on the one Markazi from sueing Chase Manhattan in courts outside the U.S. The Chase Manhattan applica-In 1980, British courts may, legislation introduced to protect British companies against the intrusions of U.S. courts, par-

European courts certainly could not order performance in the U.S. which would be contrary to the freezing order. They are almost certain not to accept the U.S. freeze as a sufficient

funds in Europe. English and German courts this year may feel the first tion was made in the Southern ripples of the incoming tide of

District Court of New York. If new competition cases resulting

defence against ciaims for the

repayment of Iranian dollar

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

were committed abroad is sustained, the success of such from the stricter legislation now endorsed by the European an order would depend on the about to he adopted in both Judgment Convention 1968 to sanctions which the U.S. court could impose.

The freeze concerns dollar deposits only. There seems to be only one way by which the American banks could possibly succeed in European courts. They would bave to be able to prove that all the money which the European branches owe to Iran is beld as it were in one big baap in the U.S. by their

competition is seen, next to monetary restraints, as an important weapon against inflation and recession. The new legislation is designed to give greater : protection: to small enterprises both against abuses of market power by the great, and against takeovers.

It is hoped that the greater

ing made possible by technologies including that of the
Justice Roskill noted when
silicon chip. However, any prodismissing Caleh Brett's appeal tection which competition laws on December 19th, 1979. may give to the small enterprise may come too late unless exists in Germany. the harsh treatment which small husinesses receive in abandoned

This year we may be faced which enables the banker to get back all a failed company owed important stimulus to the expanmonetary policy.

of title to goods, and will apply the principle of fairness and good faith to the relationship between parent companies and likely to suffer from a reluct- by using Section 826 of the ance to lift the corporate veil. German Civil Code to annul flexibility of small and medium-sized enterprise will facilitate in English law, a parent com-

A case for stronger international laws THIS PROMISES to become one arbitrators to create some sort and Iranian banks resulting is not known whether such a the restructuring of national pany can sacrifice its subsidiary of these watershed makes the restructuring of national pany can sacrifice its subsidiary. increased costs of energy and parent company's benefit (as tae frequently immanageable exemplified by the Trimple industrial relations in very Investment Trust failure) and large enterprises, a restructure is not obliged to come to the A similar set of problems

Though German law does not provide the banker with the allinsolvencies of the hig ones is embracing floating charge, be can achieve much the same effect by obtaining from his with the continuation of the dehtor three separate docusaga of the floating charge ments: one mortgaging his real estate, another ceding to the banker claims against cushim, but leaves the supplier and tomers, and a third, effecting sub-contractor high and dry. a cession of title to goods in This not only accelerates the the warehouse. While the Genelimination of the smaller, fiex- man banker in this way ible firms and of the elasticity achieves protection almost as which they give to the economy good as his English colleague. but as Anthony Harris has the German supplier or stin-pointed out on this page, the contractor is in an even worse floating charge is also an position than his English counterpart. While the English sion of bank credit and there- floating charge has to be regisfore works against a restrictive tered in the Companies House, there is no such duty imposed In view of the slowness of in Germany. Suppliers have no the legislative process, the only means of finding whether the hope is that the courts will assets of the company will be hope is that the courts will further widen the protection granted by the Romalpa decision. allowing the reservation of title to goods, and will apply however. have tried to restore the balance by declaring that it is unethical to leave the creditors in ignorance of the subsidiaries when creditors are pledges made to the bank and

APPOINTMENTS

Equity Law managerial posts

a new law.

soo and Mr. P. G. Smith to be investment managers; Mr. A. C. Gardoer to be research actuary; Mr. R. Thompsoo to be dats processing manager; and Mr. R. J. Yerbury to be an investment

EUROPEAN BANKING COMPANY bas made the following appointments: Mr. W. R. Slee as a deputy managing director; Mr. N. R. Balfoor and Mr. R. C. Kahrmann to executive director: and Mr. J. W. Birkett to assistant director. Mr. Ronald Albert Strunck, formerly with Levesque

At EQUITY AND LAW LIFE Beanbien Inc., London, bas joined Michael Darling who has been ASSURANCE SOCIETY the fol-lowing appointments have been a manager. His primary responsi-president responsible for sales made: Mr. J. P. Smith to be bility in the corporate finance dechief investment manager; Mr. partmeot will be the supervisioo R. A. D. Booth, Mr. R. B. David- of the syndication and placement activity of the bank,

duct liability cases. But the

tempted to emulate the U.S.

example. The doctrine that

courts have jurisdiction over

acts which have effect on their

which the UK undertook to

The problem of exterritorial

Mr. A. G. Semple bas been appointed principal finance officer for the PROPERTY SERVICES AGENCY. He succeeds Mr. G. May who will be moving to the Water Directorate to place of Mr. Semple.

Mr. John K. Johnsoo, manager marketing in succession to Mr. branch.

except at the following times:-

BORDER

1.20 pm Changel Lunchtime News, ... What's On Where and Weather. 4,15 Project UFO. 6.15 Stern on Ica. 8.00 Report et Six. 11.35 Chennel Late

GRAMPIAN

9.40 am First Thing, 10.10 Terzan, 11.00 Paople of the Seel, 1.20 pm Grampien News Headlines, 4.15

Sandringhem Sydney end Company.
5.00 The Wild Boy. 6.00 Grampian
Today. 6.05 England Their England.
11.35 Reflections. 11.40 Streets of San
Francisco. 12.35 am Grempian Late
Night Headings.

GRANADA

CHANNEL

ANGLIA

and marketing of the U.S. food products division. Mr. David Clarke has become manager of consumer marketing and Mr. Colin Bell has been made manager of marketing develop-

Mr. K. J. Ainslie, formerly manager of SCOTTISH PROVI-DENT'S Leeds hranch, has been appointed manager of Manchesbranch. Mr. Ainslie takes over retiring early. Mr. M. J. Bowness,

of consumer marketing, has been from Mr. Martin Cregan who is appointed deputy managing retiring early. Mr. M. J. Bowness. director of KELLOGG COM- formerly assistant manager at PANY OF GREAT BRITAIN Nottingham branch, has been with responsibility for sales and appointed manager of Leeds appointed manager of Leeds

Service.

Service.

Service.

Service.

Service.

Service.

Solve Us A Clus. 11.35 Chopper Squed.
HTV Cymru/Wales—As HTV General Service except 1.20-1.25 pm Penawdeu Newyddion Y Oydd. 6.00-6.15 Y Oydd. 6.30 A Spale of Flooding.
HTV West—As HTV General Service except + 1.20-1.30 pm Report West Heedlinse. 6.15-6.30 Report West Heedlinse.

SCOTTISH S.30 Assop's Fables, 10.00 Fseture Film: The Millionalross," starring Poter Sellars and Sophia Loren, 11.30 ANULIA.

S.40 am Cartoon Time. 9.50 Young Fishermen of Bay Bulls. 110,15 Feature Film: The Blue Peter," starring Kieton Moora, Greta Gyot eod Sarah Lawson. 11.45 Cartoon Time. 1.25 pm Anolie News. 4.15 Tarzen. S.15 Bygones. 6.00. Abour Angils. 6.20 Arans. 11.35 Power Without Glory. 12.30 am Christians in Action. Hobson's Choice. 1.25 pm Hews end Roed and Weather. 4.15 The Sooty Show. 4.45 The Book Tower. 5.10 Cartoon. 5.20 Croespods, 6.00 Scot-land Todey. 6.30 Beiley's Bird. 11.35 Late Call. 11.40 Mennix.

SOUTHERN S.30 em Clue Club. 19.55 "Tele Of Two Cities" starring Oirk Bogarde. 1.20 pm Southern News. 2.00. House-perty. 2.30 Cortoons. 4.15 Project UFO. 5.15 Oick Tracy Cartoon. 5.20 Croseroads. 2.00 Dey 3y Oey. 6.30 Father Dear Father. 11.35 Southern News Extre. 11.40 Berney Miller.

TYNE TEES

a.20 am The Good Word Iollowed by
North East News Headlines 8.30
Wented: A Whale; 10.30 Space 1989. venney A vender 10.39 Space 1959.
11.20 Animeted Clessice. 1.20 pm
North East News and Lookeround. 4.15
"The Alua aid" starring Shirley
Temple. 6.00 Northern Eile. 11.35 Old
Men's Story. 12.05 em Soep. 12.35
Epilogue.

Epilogue.

ULSTER

10.25 am The Herbs. 10.35 Untamed
World. 11.00 Stars in Their Eyes. 11.50
The Animatea. 1.20 pm Ulster News
Heedlines. 1.22 Certoon. 4.13 Ulster
Naws Headlines. 4.76 Little House On
The Prairie. 5.15 Cartoon Time. 5.20
Crossroade. 6.00 Ulster Television
News. 6.05 The London Rock And Roll.
Show. 11.35 Pro-celebrity Derts. 12.03
am News At Sections.

WESTWARD WESTWARD

9.55 RM Bebel Yeman. 10.30 Chopper
Squad. 1/20 The Beetles. 11.45
Certoomtime/ 12.27 pm Gue Honsybun's Birthdays. 1.20 Westward News
Headlines. / 4.15 Project UFO. 5.15
Sters On be. 3.00 Westward Ofary.
11.35 Westward Late News. 11.39
Mannix. 12.30 am Feith For Ufe. 12.36
West Country Weether and Shipping
Forecast.

9.30 am Sesame Street. 10.25 Dynomut The Oog Wonder. 10.45 The Land. 11.05 The Beetles. 11.25 Little Vic. 11.45... A Handlul of Songe. 1.20 pm Granade Reports. 4.15 Shirley Tample is "The Bluebird." 8.00 Granade Reports. 11.35 One August. YORKSHIRE TV Ptayhouse. 3.45 Looks alluebird. 6.00 Granade Reports. 11.35

'amiliar. 4.15 Huckleberry Fion. 5.45 News. 6.00 Thames News. 6.00 Thames News. 6.35 Crossroads. Count of Monte Cristo. 11.50 The Robin Hood. 4.45 Tatzan. 8.00 Celentria. 1.20 pm Report West Headings. 125 Report Weles Headlines. 11.35 Fentary talend

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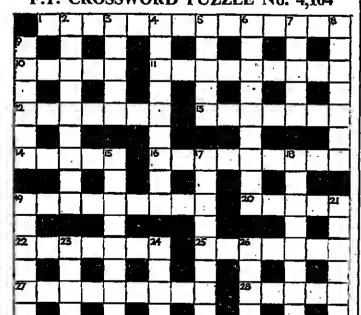
Natioowide 1980. 6.55 Tomorrow's World looks forward 6.55 to the 80s. 7.20 Top of the Pops. 7.45 White Rock. 8.00 Russia Strikes (Panorama Special). 9.00 News.9.25 Play for Today: Chence of a Lifetime by Robert Weather/Regiooal News. All Regions at BBC-1 except as

Weather for Wales.

Wales—5.55-6.20 Wales Today. 6.45-7.10 Heddiw. 11.35 News and Scotland-5.55-6.20pm Reporting Scotland. 11.35 News and Weather for Scotland. Northern Ireland-3.53-3.55pm

10.00am What a Mess. 10.5 Mickey Mouse Club. 11.15 Greatest Heroes of the Bihle. 12.45pm News. 1.0 Mary Chipper-field's Wildest School on Earth. fo)lews: 1.30 Heads and Tails, 1.45 Teoois: Braniff Airwaya World Doubles Champiooship. 3.53 Regional News for Englaod (except Londoo). 3.55 Play School (as BBC-2 11.0am). 4.20 Deputy Dawg. 4.25 Jackanory. 4.40

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> racket (5) country (5)

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M/5|5|P|EMT | MPACT A 1 E E R A B R LIMEN MOOMSHIME

Northern Ireland News. 5.55-6.20 Scene Around Six. 6.45-7.10 Sportsweek. 11.35 Tomorrow's World. 12.0 News and Weather for Northern Ireiand. England-5.55-6.20pm

East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol): South Today (Southamptoo); Spotlight South West (Plymouth).

BBC 2 11.00 am Play School.
3.55 pm Teoris: Braniff Airways World Doubles Championsblps. 4.50 Open University.

#5.40 Flasb Gordon Conquers
the Universe.
6.00 Aloms for Enquiring World Cup Athletics. 10.30 "The Great
5t. Trining a Train Robbery." sterring
5t. Trining and One Boyen. 12.30

Miods.
7.06 The Brothera Lionheart.
7.25 Mid-Eveniog News.
7.35 The Line that Refused to Die: The story of the The Story of the The Story of the The Story of the Train Roppery, Sterning Frankie Howard and Oora Bryan. 12.30 pm Gerdening Today. 1.20 ATV Newsdask. 4.15 Windows. 4.20 The Jetsons. 4.45 Preject UFO. 6.00 ATV Today. 11.35 In Search of . . . Haunted Ceeties. Die: The story of the Festiniog railway io North

10.00 om Elephent & doy. 10.30 Untomed World. 11.00 Lucen. 11.50 Certoon Time. 1.20 pm Border News, 4.15 The Lost lalenda. 4.46 Tarzon. 6.00 Lookoreund Thursdey. 11.36 Soco. 12.05 am Aorder News Summery. 8.15 Talking Pictures. 9.06 Peter Ustinov and Natalie Wood at The Hermitage. Celebratioo Stephsoe Grappelli, with Didier Lockwood and David Grismao, part 1

(part 2 tomorrow). 11.35 Richard Stilgoe takes 30 News. 11.39 Mennix. 12.34 am News optimistic look at the and Weather in French.

week. 12.00 Music at Night. LONDON 9.30 am Cartoon Time, 9.35 The Kiog's Horses. 10.00 Animated Classic. 10.50 Factasy Island. 11.45 Sword of Peace. 11.55 The Bubbles. 12.00

Topper's Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thamea News. 1.30 Crown Court. 2.00 Once In A Lifetime. 2.45 1TV Ptayhouse. 3.45 Looks 1TV Ptayhouse. 3.45 Looks Familiar. 4.15 Huckleberry Fion.

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‡ Madium wave
5.00 am As Radio 2. S.00 Oeve Lee
Travis. 9.00 Simon Bates. 11.31 Paul
Burnatt. 2.00 pm Andy Peebles. 4.31
Kid Jansen. 7.00 Talkabour. 6.00 Mike
Read. 9.50 Nawsbeor. 10.00 John Peel
(s). 12.00-5.00 s.m. As Radio 2.

RADIO 2
5.00 am News aummery. 5.03 Steven Jones: (s). 7.32 Terry Wogan (a) including B.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (a). 12.15 pm Weggoners' Welk, 12.30 Pete Murray's Open House (a). 2.15 Oavid Homilton (s). 4.15 Much More Music (s). 5.00 News. S.05 Weggoners' Walk, 5.20 John Ouno (s). 5.45 Sports Desk. 7.02 Country Club (a). 9.02 Foltweave (s). 8.55 Sports Oask. 10.02 it's A Funny ausineau says Baryl Reid. 10.30 Ster Sound Extra.

Seryl Reid. 10.30 Ster Sound Extra.

11.02 Brian Matthew with Round Mcdnight, including 12.00 News and 1.02.
2.02 em Cricket: Australia v. England
(report). 2.03-5.00 You and the Night
and the Music (a) with Shalla Tracy.
including 3.02, 4.02 Cricket.

6.55 am Weather. 7.00 Naws. 7.05 Overture Concert, part 1 (a). B.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Rossini (a). 10.05 Lake Oistrict Festival

RADIO 1

RADIO 2

RADIO 3

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aac Radio London: . 1485kHz, 206m & 94.9vhf Capital Radio: 1548kHz, 194m & 95.9vhf

4 1215kHz/247m & 90-92.5vhf slareo London Broadcasting: 11S1kHz, 261m & 97.3vhf

1979: Chember muole redneert, part 1 (s). 11.05 Interval Reading. 11.10. Concert, part 2. 11.50 aaC Welsh Symphony Orchestra (s). 1.00 pm News. 1.05 Summer School of Music et Oortington Hell 1979, part 1 (a). 1.55 in Short. 2.05 Summar School of Music part 2 (s). 2.40 American Songa (e). 3.15 Pieno Recitul (e). 3.55 Children's Concert (s). 4.56 News. S.00 Meinly for Plessure (a) (f and mono only from 6.10). 7.15 Talking Abour Music with Antony Hopkina (s). 7.45 Navigator in the Seventh Circla by Leonard Mogune (s). S.00 In Repartory (s) 10.00 Building a Library of records (s). 10.00 Building a Library of records (s). 10.35 Orought (story). 10.55 Music in Our Tims (s). 11.55 News. 12.00-7.05 am Teat Match Special: Australia v. England. VHF only-6.10-7.15pm Open Unit-

6.00 am News Briefing. 6.10 Forming Today. 6.25 Shipping lorecapt. 6.30 Today. incliding 6.45 Prayer for the Oey. 7.90. 8.00 Today's News. 7.30, 8.30 Naws heedlines. 7.45 Thought lot like Oey. 8.45 Lady into Fox. 9.00 News. 9.05 Buskers. 9.30 The Living World. 10.00 News. 10.05 Fe1 Man on e Bicyelo (S). 10.30 Daily Service. 10.45 Little Women. 11.00 News. 11.05 Soan's Story. 12.00 Nicky Norme's Your Morther Members. 12.02 pm You and Yours. 12.27 Oetoctics. 12.55 Yessther. Deogramme Johann's Night-Fight (\$). 1.00 and Night-Fight (\$). RADIO 4

news. 1.00 World et Gns. 1.40 The Archers. 1.55 Shipping lorecast. 2.00 News. 2.02 Womon's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Alternoon Theatrs (5). 4.15 Any Anewere? 4.45 Short Story. 5.00 PM News magsains. 5.50 Shipping forecast. S.55 Weather: programme news. 6.00 News. 6.30 Lord Peter Wimsey. 7.00 News. 7.05 The Archers. 7.20 Time for Veres. 7.30 Mockerss conducts the English Chember Otchasire Concert, part 1: (S). 8.15 John Wells on ... 8.35 Concert cert 2 (S). 9.16 Gold in the River. The 1930s Ospression in New Zealand. 8.30 Kalaidoscope. 3.59 Westhor. 10.00 The World Tonight. 11.00 A Book at Bedlims. 11.15 The Finencial World Tonight. 11.30 Chempagns (5). 12.00 News. GARRICK, CC. 01-836 4801. Eves. 8.00 (sharp), Fri. and Sat. 5.30 and 8.30. GARETH HUN7 in DEATHTRAP. GLOBE THEATRE CC. 07-437 1592.
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JEANNETTA COCKRANG TH. 01-242 pagns (5). 12.00 News. BBC Radio London

London Broadcasting 6.00 am AM with Bob Holness and Doug Cameron. 10.00 The Arian Nayes. Show with Vivian White for Brien Nayes. 1.00 pm LBC Reports. 6.00 After Eight With Therese Birch. 9.00 Nightims with Geoff Birms. 12.00 LBC Reports Midnight. 1.00 am Night Extra with Tara Jefferies. 5.00 Morning Music. JEANNETTA COCHRANG TH. 01-242 7040. TII Sat. Eves. 7.30 mat Sat. 7.30. TIN PAN ALI. Reductions for children. London's NEW Christmas musical. KING'S HEAD. 01-226 1918. Olner 7.00.
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TH Sat. Deice einit 2.30 and 7.30. Mon. 10 Sat. 200 and 7.30. Mon. 10 Sat. 7.30. maxx Wed. Thurs. and Sat. 2.30. ALADDIN Sandy Wilson. The Edd. that a washering line. We loved the rhythmic Joseph Gine Mella is gelendly with the result of the result of the rhythmic Studies of a new series of Lyric Itymes.

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THE ARTS

Covent Garden

La traviata

by MAX LOPPERT

The current Royal Opera merely trotting out their own, revival of La tractata introduces this will become an involving Kiri te Kanawa's Violetta to as well as a beautiful heroine.

Loudon, R would be nice to be Meanwhile connoisseurs of fine London, It would be nice to be able to hymn her virtues, and leave it there. For Miss te Kanawa's singing is so beautiful se-rich, lustrous, and fulltoned in almost every phrase, that one feels a positive dismay. at finding her account of the role so unmoving. We shall have to reach quite far back in Reyal Opera annals to discover a first act solo voiced with greater confidence, plumb in the centre of the notes, steady in propissimo and radiant in full voice: Yet it was sung without changes of tone colour, without shadows of desperation or hectic resolve a Martin in the house encountering the opera-for the first time who had not acquired a programme, and who understood only the word "gioir," might well conclude mant wen conclude that this was a lively, healthy, rather "sassy" young lady in search of a good time, and that she would, in all probability, find it during the subsequent

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ERIES

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SEMEN)

Every notice of an opera first night ought to carry, like a pack of cigarettes, a framed singing line that persisted to warning: "This is a review of the first night. Things are solving ensemble (the nchestra bound to improve at later and Giorgio Germont parted performances." About Tues- ways more than once), a special day's first night there was so sympathy with his Violetta. general an air of underrehearsal that the absence of any implicit physical bond between the lovers, or between father and son was unsur- Visconti production over the prising, if still distressing. Miss years that there is little point in te Kanawa' playing bas been carefully worked out; it is never over again. But the second insensitive, and at one nr two party was a mess—the dance moments if reveals a true episodes made nn dramatic emotional insight - the tears sense, and Flora and D'Ohigny that broke into the line were a music hall pair who only during the letter-writing were stopped short of bumping accurately graded. One must stomachs. A word, though, for have faith in the possibility that the bright-eyed, very imaginalater on, when the principals tive Annina of Claire Powell, a have begun to react to each performer whose every response other's nuances instead of commands attention:

singing will find plenty to please

Stuart Burrows, giving also his first London Alfredo, pleases in direct proportion to one'a willingness to take the youth and the impulsive, romantic disposition of the character on trust. He does not look remotely like Renath Bruson, who returns to the house as the senior Germont. (Does tha Royal Opera casting director ever consider such things?) But Mr. Barrows is a sincere and likeable per former, and after a tight-voiced first act his portrayal made a fair hid to be accepted on its own terms. No such act of faith is required for Bruson's father. painfully pent in movement heartrendingly eloquent in bis use of a voice not large but full of colour and character. The trouble is that what he brings in the role heightens one's awareness of what others are having to do without.

There are some excellent touches in John Pritchard's conducting—gracious, natural-sounding rubato, a care for the some anxious passages of dis-Except in the first Prelude, the playing was of very moderate quality. So much accurate abuse has been hurled at the picking up the beavy nbjects all

Richard Rodgers

in the middle. Until 1942 be were less sophisticated more bours, sung in the original, worked with lyricist Lorenz sentimental (he had already rather than the vernacular, Hart, and his music reflected written, among other things, tongue. Hart's lively, sub-acid style The Desert Song and Rose This ("She's gentle and mentally Marie). Rodgers's music took almost complete, she's knockout, on the same character, but what she's regal, she's almost illegal, it lost in conhistication it gained Lady, One Dam Thing After Rodgers never settled down Another and Ever Green, which with another partner, though he were commissioned by London managements. (Rodgers does) not seem to have been happy beim (Do I Hear a Waltz?).
with the British all the same.) Rodgers also produced or The list of songs from these shows that are still current is endless—" My heart stood still,"
"Dancing nn the ceiling,"
"Blue room," "Mountain

Richard Reogers, who died greenery, "I wish I were in stalls were less than full, but last Sunday aged "I", was in love again," "Ten cents a the bouse was attentive (though challengeably file, centuity's dance," It goes on for ever, not necessarily silently atteogreatest composer of musicals. Hart, who had social probbetween 1920 and 1970 he problems dropped out in 1942 and duced nearly 50 shows, besides died the next year, and Rodgers copious music for films.

began to work with Oscar formance lasting (with two inprious music for films. begin to work with Oscar His career was sharply divided. Hammerstein II, whose lyrics

including Annie Get Your Gun and all his own shows from

South Pacific on.

La Scala-1

Boris Godunov This season La Scala opened its doors not with Verdi, but with a new Boris Godunov. cells framing a huge central icon. Movable trolleys hear on Claudlo Abhado, in what and off items of scenery, someappears to be his floal season times decked with caodelabra as musical director, conducted and censers, or curtained to pro-Mussorgsky's original — or rather the conflation of the comvide alcoves for the intimate poser's first and second versions made: feasible by the Lamm/ Lloyd-Jones edition. Yury

indoor exchanges, even (in the Polish act) twined with garden . Lyubimov (producer) and David Borovsky (designer) from the Moscow Taganka Theatre were responsible for the staging (thus continuing a collaboration is, it seems, being "given" by down upon the assembled monks. Pimen sits before bis masses: the jotensity of Indiviwith Abbado begun with the 1975 Milan premier of Nono's Al carica gran sole d'amorc). Though Mnssorgsky proper was introduced to the Scala in 1936, the Rimsky-Korsakov revision of the opera bas beld sway there in all other revivals; for this reason, but by no means only for this reason, the show bas been a succès d'estime. At the fourth performance, the and the third act - a mis-shapen arrangement necessitating a tervals) almost four-and-a-half long, long sit between the two intervals.) "Boris oratoriale" was the

This Boris was an event of verdict of La Stampa's Massimp major importance. I found It Mila; and in its static, pseudoan impressive failure - orches- ritualistic, generalising way the direction, the music managed she's the Girl Friend", in meledic charm, and the songs the Brist, Poor Little Ritz. The King and I and The Sound They include A. Connectical They include A. Connectical They include A. Connectical They include A. Connectical The Sound They include A. Connectical The Boys The Boys Produced As the result of that Lady. One Dam Thing After the sheet of the possible with a combination of the support a good deal more of denishly majestic passages. Abbado with a combination of denishly majestic passages. Abbado with a combination of the hurden than It should have sible (Philip Langridge and been required to. The considerable with a combination of the hurden than It should have sible (Philip Langridge and been required to. The considerable with a combination of the hurden than It should have sible (Philip Langridge and denishly majestic passages. Static," psendo-ritualistic." "generalising" — Boris appreciation of the Girl, when Rodgers was only 15: of Music have as much claim my experience; vncally and to immortality as music ever thorally good rather than splenders and denishly majestic passages. The burden than It should have sible (Philip Langridge and denishly majestic passages. Static," psendo-ritualistic." "generalising" — Boris appreciation of the Girl, when Rodgers was only 15: of Music have as much claim my experience; vncally and chorally good rather than splenders and passible (Philip Langridge and been required to. The considerable with a combination of the hurden than It should have sible (Philip Langridge and denishly majestic." Brainers to be possibility and the hurden than It should have sible (Philip Langridge and denishly majestic." The Boris was appreciation of the memory, and for good measure to imaginate the hurden than It should have sible (Philip Langridge and denishly majestic." The Boris was appared in the hurden than It should have sible (Philip Langridge and denishly majestic." The Boris was appared in the hurden than It should have sible (Philip Langridge) and the creation of the hurden th Hammerstein died in 1960 and Rodgers never settled down with another partner, though he with short and Steveral, including himself (No Strings) and Stephen Sond (No Strings) and Stephen is worth considering in a little ordinary genius, power and intimate. The Polish encounters Svetley, who threw out the Pre-Rodgers also produced or condition detail the ways in which the originality. Both individuals sounded richly romantic, their tender's phrases in a full-tilt, produced musicals in New York. Moscow team contrived to missend masses of people pass before lines lyrically shaped, the dance ardent, unrestrained way—it represent the drams. Our us in a multitude of scenes rhythms exhibit exhibit and many not have been very elegant picture shows the basic unencompassing the widest The popular assemblies but, in the circumstances, it changing set—tiers of choristers, possible range of human feeling gathered urgency without being proved unusually enjoyable. B. A. YOUNG robed as monks, candle and

script in each hand, the hanked and experience." A production hard-driven. (But the Simpleintent on reducing that raogereducing the mighty changes of location, the contrasts between monastery and palace, city square and imperial apartment, inn and nocturnal garden—to the dimensions of a single tableau saps the vital substance of the work.

·The Prologue, Scene 2

And again, in practical terms, We soon come to realise that the advantage of speed was the intention is to enclose the frequently outweighed by the entire spectacle within the con-disadvantage of rendering the fines of Russian Orthodox players largely ineffective Strii-Christianity. The opera itself - lighting effects showered : lighting effects showered

tablet in a side cell, on stage dual acting was permitted to go for most of the evening; monks for very little because faces. doff their habits to become hands, and hodies remained Grigory, Varlaam, Shuisky: "It and clad in drab, dull Grigory, Varlaam, Shuisky: "It. and clad in drab, dull characters emerge from and stuff. Apart from encouraging return to their cells. In pracesmall outbursts of vulgarity tical terms, the advantage is or melodrama. Lyubinov gave that a long and scenically the impression of having failed various opera — Abbado chose to connect with his cast. Whatto include, almost in full, the ever the didactic purpose of the later, longer version of Act 2, imposed scheme (to demon-the Polish act, and both the St. strate the crushing power of Basil Cathedral and Kromy organised religion?), its logic forest scenes — moves fleetly, tended to collapse at such points (But the intervals have been as when Marina, the Pretender, placed following the Prologue and a troop of soldiers finished their procession in what we bad learned to think of as Pimen's cell. Detail continually niggled. More seriously, the whole con-ception imposed a heavy toll on the grandeur of the music.

Under Abbadn's impassioned production afforded some un- to support a good deal more of

by MAX LOPPERT ton's lameots seemed to need broader handling.) The orchestra made sounds that were out just dramatically meaningful but gloriously, exultantly stirring-in such a performance there was no opportunity to feel retrograde hunger for any of the Rimsky instrumental glamourisations, A pity that the chorus, disposed across the full arch of the stage, was seldom able to master a full

weight of tone.

The title role was taken by Nicolai Ghiaurov. The voice, still noble, shows its age; never a performer to communicate through either decisive theatrical gesture or sharply etched verbal delivery, he seemed lost amidst the numinous sway and hustle—a strange account of Boris, indeed, in which the great monologues pass without exciting special interest! As Pimen, a fellow Bulgarian bass, Nicola Ghiuselev, was smooth of volce, able but unremarkable. Even a non-Russian speaker tell that some of the Italian singers were more expert with the Russlan language than others: Ruggero Raimondi's Varlaam was pungently sung and keenly uttered, Fedora Barbieri's Hustess lively with- cast, for in the hall the halance out exaggeration.

In too many of the smaller parts hlanks were drawn where

Lyric Studio, Hammersmith

City Delights

A. YOUNG

Court, in the telly-free age when the stars of the stage put a gloss on the times with ingenious rhymes, or dealt with our crises in five-minute slices of drama with hlackouts in cut them off

Airs on a Shoestring at the Royal Court in 1953 opened with that reflection, but still it ran for nearly two years. In the same period, Swect and Low and its two sequels clocked up 1,925 performances. Now, alas, revues appear only at the Edinburgh Festival and at Cambridge in May Week. Why? Some have attributed it to Beyond the Fringe, so good that no one dare compete. Some to Ned Sherrin's televisioo Saturday nights. revues in your own home. Some to the development of the serious, starless theatre companies, for revue calls for stars as well as good material.

Richard Denning at Hammer could Kerry Lee Crabbe sug-smith after an initial outing at gest in his piece about a critic Oxford, has two potential revue stars in the company—Jonathan Bernard Levin were still cover-Adams and Madeleina Newbury. ing the drama?) Certainly some They have that shillty to leap of the ideas are. They may serve straight into a character without for the geoerous audiences at sacrificing their own personali- midnight Edinburgh; they are ties that is vital in sketches bardly up to seven-thirty where character must be estab- Hammersmith.

"There are far too many lished in a minimum of time. revues," Max Adrian sang at the Mr. Adams as a Harley Street specialist deep in the black market, Miss Newbury as a television cook, are very funny -as funny, that is, as their lines allow.

Steve Alder and Melanc Wallis are two likeable juveniles, who can do a sentimental or a comedy number nicely enough. Miss Wallis on her own has what seemed to me the evening's hest song, "I was born too late for dreams," which she sings straight-forwardly into a hand-held make and (with the aid of some projected slides) moved me profoundly. Mr. Alder's best hit comes as an Australian minicah director, misdirecting his drivers over the office mlcrophone.

But the standard of material is pretty modest. City Delights is a clear example of why revue has died: too few fresh ideas. I suspect some of the numbers City Delights, directed by are veterans anyway (how else that Herhert Kretzmer and

Elizabeth Hali

Jessye Norman

the top as it was creamy and sustained in the mezzo register. More important, not a phrase was scamped anywhere in the programme-not even a word: the measured intensity of the whole performance was riveting. and splendidly complemented hy Miss Norman's platform manner, which somebow combines imposing solemnity with

good-humoured ease. It was a pure Lleder programme: Beethoven's six Gellert Songs, the "Seven Early Songs" of Alban Berg and a substantial Brahms group. Miss Norman and Geoffrey Parsons were joined by the violist Ulrich von Wrochem for the two Brahms songs of Op. 91,—lovely, unnished tone from von Wrochem) advaotage to the eventual broad- standard. was odd: the soprano seemed to be accompanying the vinia from a distance, while the plann barely made itself felt.

explorations of the songs.
Miss Norman was as full voiced and committed with Berg's songs as ber accompanist was shrinkingly delicate; bis contract as associate director discretion amounted almost to with the Young Vic.

Miss Norman's New Year's innocent sabotage, with crucial Day recital found ber at the harmonic underpinnings-these height of her powers. The justre are not atonal songs, but ripely of her grand sopraoo was flaw- chromatic ones—left virtually lessly even over its considerable inaudible. One longs to bear the range, as broad and powerful at soprano with an orchestra in this music, which Berg's unduly modest label has not belped to sell: "early" it may be, but it is more beautifully and strongly made than many Strauss songs of the period. If the range is exquisitely decadent it is still wide, and Miss Norman entered into the various moods with wonderful sympathy.

I bave left the Gellert Lleder tn the end, though Miss Norman began with them. They are difficult songs, uncomfortably soher and strangety propor tioned. The grave fervour of her declamation was perfect, guided by an iron grlp on the severe musical substance (and assisted to the hilt by Parsons in his best vein). It was the first time that I forced performances (with hur- have heard this set made to fulfil its abstract promise: Miss which may be heard to better Norman has fixed a noble

DAVID MURRAY

New theatre directors

The new year sees changes in two of the country's leading regional theatres. Richard Cottrell is resigning as artistic director of the Bristel Old Vic at the end of the spring season to concentrate solely on directing and Stephen Hollis is quitting the Watford Palace after eighyears to become a freelance

director. His successor at Watford will be Michael Attenborough who has just completed a one year.

Old Vic

Toad of Toad Hall

by CHRIS DUNKLEY

first time in the very suitably lingly conceited Toad himself, Vic. This management is billing the play as being in its "Golden the powers of light and dark-Jubilee Season." It seems that ness, between the residents of Milne's adaptation from The and weasels of the wild wood; Wind in the Willows has been a jolly good fight at the end, see and feel it.

Wind in the Willows has been and much more besides. Yet Ian Talbot, playing the leappresented at Christmas fity also undeniably, it is with its ing, tongue-flapping Toad for presented at Christmas fifty times before (this is its 32nd production), but that it was first produced at Liverpool in 1929. Still whether it is really entitled to a jubilee or not, Toad bas undeniably established itself as one of the very few classics of children's theatre.

ingredients of successful all result from the frequency of the play.

This Christmas Toud of Toud children's fiction: anthropomor- with which the leading actors Hall is being presented for the phism in the form of the appal- have played their parts before. first time in the very suitably and his indulgently kind friends, marvellously alert and spry as dark green interior of The Old Mole, Water Rat, and Badger, ever, in the role of Mole, which very clear distinctions, between they mean by this not that A. A. the river bank and the stnars the audience have a rapport

into theatres nowadays.

Richard Goolden, now \$4, is as he has played 19 times in David Conville's production alone. Goolden and the children in which is unhelievable until you

three acts, ten scenes, plus the seventh time in the West prologue and epilogue, and its End, Terry Wale in his fourth two intervals, rather long, even season as Rat, and David King. for older children, never mind who first played Badger in 1952, the bowling babes in arms, which gormless parents take will get their best responses, into the atres nowadays. The main strengths and weak- can bring a somewhat dull and It has so many of the essential nesses of this year's production mechanical feel to some parts

Elizabeth Hall

Camerata Lysy by DAVID MURRAY

forming wing of the Interna- begun with a little Haydn Academy," which seems to mean mained a lively affair even with that teachers and students alike the unwontedly large band. Romanian Folk Dances, we had play in it. Yehudi Menuhin Uniformity of sound is not, I Chaikovsky's Sourenir de himself appeared with them on think, something to which Lysy Florence, a string sextet that Thursday and Friday last week; asssigns a high priority, but the revels in chamber-orchestral I heard their second concert, in collective vigour of the textures. The performance had which he led the early B-flat Camerata's attack is a consistent lts bectic moments, but it was Sextet of Brahms. It was a pleasure, combining the eager- always infused with proper warm, even impulsive perform- ness of youthful players with the passion, strongly led by Lysy ance of a work that is honestly asssurance of more seasoned himself. There was a convincboth long-winded and sbort ones. In principle the members ing sweep, and real excitement breathed. Patches of local take turns at different desks, in the Finale. There has been colour are very welcome in it, though there was only a little enough serious music in and the tang and bite of Wolfirading about in this prosang Mehlhurn's celln made imgramme: I should have liked to of the Camerata was a gift to be pressive contributions.

Alberto Lysy's Camerata The whole Camerata—more nese vinlist Yu Yasuraoka, who orchestra of Gstaad is "the per-than a score of strings—had produces a strikingly beautiful Menuhin : Music Divertimentn in G, which re-

inne.

Before Bartok's familiar hear more of the young Japa- appreciated.

WESTFIELD MINERALS LIMITED

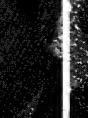
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A. H. Meldrum

THE STREET AND RESERVE AT THE PARTY.

Mr. Parrick J. Hughes, Chairman of the Board of Westfield Minerals Limited, is pleased to announce the following executive appointments made during 1979:

MR. GEORGE T. SMITH-President and Chief Executive Officer. Mr. Smith who is a Director of Westfield is also President, Chief Executive Officer and Director of associated Northgate Exploration Limited He graduated from the University of Toronto with a B.A.Sc. degree in 1952. Osgoode Hall Law School, Toronto to 1956 when he was called to the Bar of Ontario and read law with Kilmer, Rumball, Gordon, Davis & Smith, barristers and solicitors, until joining the Northgate Group of Companies in 1962. He served as Vice-President and Counsel for Northgate from 1962 to 1970 and as Executive Vice-President to April, 1974. He then joined Camfio Mines Limited as President and Chief Executive Officer and Director, which position he held until March, 1979 when he was appointed President and Chief Executive Officer of Northgate, Mr. Smith is also a Director of associated Anglo United Development Corporation Limited and Whim Creek Consolidated N.L. He is also a Director of Zapata Granby Corporation, Rayrock Resources Limited and Merland Explorations Limited.

MR. SYLVESTER P. BOLAND-Executive Vice-President." Mr. Boland who is a Director of Westfield is also Executive Vice-President, Chief Financial Officer and Director of associated Northgate Exploration Limited. He graduated from University College, Dublin with B.A. degree in Economics and a B.Comm. degree in Business in 1951 and is a Fellow of the Institute of Chartered Accountants in Ireland. Mr. Boland joined the Northgate Group of Companies in 1965 and served as Vice-President of Finance until 1978 when he was appointed Executive Vice-President. He is also Secretary and a Director of Northgate's operating subsidiary Irish Base Merals Limited and a Director of Tara Exploration and Development

Company Limited. MR. A. H. MELDRUM-Vice President of Exploration. Mr. Meldrum is also Vice-President of Exploration of associated Northgate Exploration Limited. He graduated from the University of Dublin, Trinity College with a B.A.(Mod) degree in Geology in 1965 and is a Member of the Institute of Mining and Metallurgy (M.I.M.M.). He joined the Northgate Group of Companies in 1965 and worked as an exploration and mine geologist for Northgate's subsidiary Irish Base Metals Limited. From 1969 to 1972 he worked as an exploration geologist in Canada and Australia for Northgate and associated Whim Creek Consolidated. In 1972 he was appointed Exploration Manager of Irish Base Metals Limited and in 1975 was appointed Vice-Presidenc of Exploration of Northgate. He is a past Presidenc of the Irish Association for Economic Geology.

MR. JOHN F. KEARNEY-Secretary-Treasurer.

Mr. Kearney is also Secretary-Treasurer of associated Northgate Exploration Limited. He graduated from University College. Dublin with a B.C.L. degree in Law (1971), a B.A. degree in Economics (1976), a LL.M. Masters degree in Law and a Diploma in European Law (1979). He attended the law school of the Law Society of Ireland and was admitted as a Solicitor in 1972. He graduated from the University of Dublin, Trinity College, with a Masters degree in Business Administration (M.B.A.) in 1974 and is a Member of the Institute of Chartered Secretaries and Administrators (A.C.1.S.), London, He joined the Northgate Group of Companies in 1973 and served as legal counsel and assistant secretary of Tara Mines Limited, subsidiary of Tara Exploration and Development Company Limited until 1979 when he was appointed Secretary-Treasurer of

Westfield Minerals Limited, listed on the Toronto Stock Exchange. is a Canadian resource company with exploration activities in Canada. particularly an extensive uranium exploration programme in Newfoundland, and oil and gas interests in British Columbia. Through associated Whim Creek Consolidated N.L., Westfield is engaged in gold mining and exploration in Australia. The Company has a substantial minority equity interest in associated Northgate Exploration Limited which has mining operations in Ireland, exploration activities worldwide and oil and gas interests in Canada and the United States. Westfield also has a significant minority equity interest in Vestgron Mines Limited which operates a substantial base metal mine in Greenland.

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The missing vardsticks

WITH BATTLE already joined terest, which appears to be in the steel industry, potentially simply a way of concealing its threatening in the railways, and with a clear questionmark over the shipyards, the Government pany and the coal industry are is clearly prepared to run sub-stantial risks to establish a pay interest and depreciation; but the current rate of interest principle: that pay in publicly owned industry must be earned in the market, as in any other industry. After decades of aims, misleading accounts, interference in pricing and investment decisions, it has clearly become necessary to cut the knot, however unpleasant the initial shock. Ooly in this way can efficiency he re-estab-lished as a hasic criterion, and negotiations be hased on reality.

Inevitable

lo the short run, then, conflict appears inevitable; hut in the longer run, it is to he hoped that those employed in these industries will want to join in the more constructive husiness of negotiating a eensible basis for the future instead of fighting to perpetuate the past. Once serious discussion is joined, it will be found that come of the hasle issues are by no means as black-and-white as the present eituation may suggest, and that many of the terme for a sensible negotiation remain ill defined. The Government, even while It fights for sensible priociples, industry is lenient in the should be preparing for the extreme, involving little more necessary clarification for the than covering the cost of wages future. After all, compensating for existing inefficiencies by depressing real wages is no more workable as a long-term strategy than the past approach of effectively open-ended subsidy.

The present confusion is clearly visible to the ficancial targets which have been laid down for the nationalised industries. These not only differ in rigour according to the situa-tion of the different industries concerned, as is politic. They seem to have no consistent basis In measuring performance, and in several cases no clear meaning at all. Thus two profitable enterprises, airways and tele-communications, have their targets set to terms of return on capital at full current values, before paying interest, which is

has no clear relation to the aensible return to he earned on assets which have a long life, since high interest rates are effectively a returo of capital to the lender. If realistic depreciation were charged on top of thia, the target might be over-amhitious; but in fact the hasis for depreciation is not stated. The muddle continues through the other industries It is not even clear that the cash limits which actively constrain the employers in the current wage round are consistent with the declared financial targets for each industry.

Clarification

These issues must he clarified so far as possible, preferahly within the coming year, if rational discussion is to succeed the present battle of wills. But financial clarification cannot he the end of the story. One difficult problem is how far industries suffering a cyclical depression ehould he helped. In fact the present Government target for the steel industry is lenient in the and other current inputs, with little hope of servicing financial capital or funding the replace-ment of real capital. To describe this as "hreaking even" conceals what is in fact a concession. It might well he more persuasive to spell out the losses, in current costs terms, which are really heing

permitted. Other issues which need to be clarified are the size and purpose of permanent "social" subsidies to some industries, which are to some extent explicitly covered by grants (but not, for example, in the case of commuter services); and the extent of largely concealed cross-subsidies—from BL to British Steel, from steel and electricity to the coal mines, at least clear and coherent, but and soon. All this adds np are set different target rates of to a mountainous task after the return. The still more profitable confusion of the past, but it gas industry is required to will have to be tackled to avoid achieve a margin on turnover, continued acrimony and confu-not investment, after paying in-sion in the future.

A warning from Turkey

TURKEY'S armed forces do not the martial law authorities in bluff. Their warning to the Istanbul found pistols and country's politicians is clear- explosives in the offices of the that if the politicians do not youth organisation supporting come to grips with the terrorism the NAP. Also found was a list which is costing around 200 of prominent people, apparently lives each month the army will- to be killed. feel compelled to take even more power than it already

For the West the waroing is a worrying reminder of the gravity of the situation in its most loyal ally hetween the Bosphorous and the Bay of Bengal. The foreign exchange famine continues. The soows have just engulfed a capital short of electricity, fuel oil and the lignite used for heating. While the people face a hitter huddled winter, the West also has its problems. Its strategists need an agreement to allow the continued operation of the important U.S. mooitoring stations in Turkey. The bankers need to see a long overdue understanding being reached with the International Monetary Fund to allow the second draw down on the \$325m standby signed summer. Uoless this understanding is obtained other financial aid will he held up.

For Mr. Suleyman Demirel. the Prime Minister, the waroing real threat to many Turks, and is a disturbing reminder of the west and Turkey's neighfarigility of his minority government. After only five weeks it what they can to etop the conappears to he running into tinuing arms smuggling to the troubles with the military, but It country. But the West also has has to be said that these to face up to a far more difficult troubles are largely of Mr. and wide ranging problem. Demirel's own creation.

Involvement

Nine years ago his cavalier approach to terrorism contripresiding over two coalitions worse than most developing which included the militant countries Turkey has been hit right-wing Nationalist Action Party, Since then the evidence

right-wiog militants seek to again. If Turkey's politicians it. The military have their warning to consider, present at the meeting did not so the country as a whole is a agree. Indeed, on that same day warning to others.

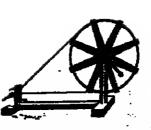
The armed forces' warning attacks hoth right and left-and by implication demands that the government does the same. That no such warning was issued during the 22 months Mr. Ecevit was in office is in itself a

Cooperate

In November Mr. Ecevit held out something of an olive branch to Mr. Demirel, offering to co-operate with him against terrorism as that Mr. Demirel would not have to rely on the NAP. It was rehuffed with Mr. Demirel accuring to prove that despite all that has happend he has both forgotten nothing and learnt nothing. The parties are as far apart as ever on terrorism, while Mr. Demirel has been scything low, shifting or dismiss ing large numbers of civil servants, police officers and teachers in a way which only aggravates the mounting polari-sation of the state machinery.

The assassin'e hullet is a very bours have an obligation to do to face up to a far more difficult Among the main factors contrihuting to the mounting terrorism are the unemploy ment and disclocation fuelled by the country's economic crisis. On this at least Mr. huted to a military ultimatum Demirel seemed to be deterwhich forced him out of office mined to act decisively but his In 1975 he came back to office, margin is limited. Like hut

by the rise in oil prices. in 1978 and 1979 it had to of NAP supporters' involvement adopt the IMF's prescriptions in killings and terrorism has but each time it seemed near to steadily mounted—particularly getting on top of the situation during the past two years when a fresh oil price rise left it run-Mr. Bulent Ecevit was in power. ming faster merely to stay where Yet wheo Mr. Demirel took it was—with all its export earnoffice in November he again ings earmarked for its fuel bill. turoed to the NAP for backing It is now an object lesson of the and put a number of its problems which other developfollowers in Government posts. ing countries may face, namely Two weeks ago he told a a depressed economy, political meeting of university rectors uncertainty and with debt which that while left-wing militants has been rescheduled once and sought to undermine the State, may need to ha rescheduled



spinning wheel. Opposed to Mrs. andhi, this faction clehns to repre-nt the Congress that ruled for 30



split up. It advocates the



a Janeta Party-symbol is a cultivate within a wheel. The rump of the loose from power in 1977. It is led by Mr.





Mrs. Gandhi: the woman to beat

BY DAVID HOUSEGO IN NEW DELHI

has been asked to resolve the deadlock which arose after the hreakup of the Janata Government which came to power in 1977 having swept away Mrs. Indira Gandhi and her period of emergency rule.

The responsa has been half hearted. The campaign has certainly revealed an electorate weary of its politicians and, in this year of drought and hard-ahip across much of the north, indifferent to a premature poll. It will also probably reveal that amid the uncertainty and dis-enchantment, enough of the voters are prepared to reaffirm their trust in Mrs. Gandhi to give her the commanding parlla-mentary majority which she wants.

There has bean no repetition of the " pro-Indira" wave which swept her back to the premiership in 1971 and which then Congress going into reverse swept her out electioo. six years later in resentment against the abuse of power dnring the emergency. The enthuslasm that she aroused in 1978 when she first attempted a political comehack in the south has lost some of its momentum and it has not caught hold in the

Inflation fears

A great many Indians remain bewildered and apprehensively fearful of the pace of Inflation which has leaped to an annual rate of 20 per cent in a few months; of the sharp renewal of caste conflicts springing from the emergence of a prosperous farming lobby in the north; of the loss of confidence in politicians and government; of the rising trend of violence and, not least, of the potential return of Mrs. Gandhi herself. A victory for her would give an implicit endorsement to the emergency. Many of those voting for her do not want to extend that endorsement to the ambitions of ber son, Saniay, or to the bullying hy police or officials that inevitably flowed from the unrestricted use of

has been able to take advantage of this despairing mood, turningthe Emergency to her advan community. tage before a group of villagers But at 7 angry that a promised road has has been attempting to reforge . Many in his party would have regional groups such as the tensions.

HE INDIAN electorate that intimata personal link has been asked to resolve between herself and the people on which other populist leaders like Mr. Bhntto in Pakistan or President Sukarno in Indonesia founded their power.

She has fought hack since her

electoral defeat in 1977 with unbelievable atamina. She was helped by the legal charges that the Janata Government tried unwisely to pin on her-unwise because many were trivial and politically motivated and because Mrs. Gandh! is never more aggressive than in defence. defending herself she has also fought to keep her son ont of prison. He is appealing against a three-year sentence for theft in the Kissa Kursi Ka film case. As part of the process of clearing his name, both be Mrs. Gandhi during the Emer-gency over whom criminal charges hang have heen given Congress seats to fight in the

Comeback chance

Mrs. Gandhi's chances of a

comehack emerged through the splits within the Janata Government and then from its collapse leaving a caretaker administration in the hands of Mr. Charan Singh—prohably India's worst Prime Minister since independence. She has apeeches. Her campaign has heen immensely strengthened by the heavy flow of funds party apparatus now enjoyed hy Sanjay who has put forward some 40 per cent of the Party's candidates. To long acrying members it is no longer

the look of a winning team. Its strength is that its leader Mr. Jagjivan Ram is the best Mr. Charan Singh, initially alternative Prime Minister of the third contender for tha

But at 71 he had hoped to hecome Prime Minister through not materialised, bulling the manoeuvrings hetween the fears of a wayside crowd about parties. The campaign has been largest party has the first crack the rising cost of oil, reassuring physically wearing on him. at a tempting to form a govern-Harijans (untouchables) of her Suffering from arthritis and most. Mrs. Gandhi is likely to protection or promising Mos mild diabetes, he shuffles he is like position. She hopes lems more jobs in government forward slowly with the help of to do so by mathering in defection. In travelling to viral stick. Hand held high, he to the same the parties towers over his meetings.



Mrs. Gandhi at rest in har New Delhi home.

image has heen damaged by in-dications before the campaign that he might have switched over to Mrs. Gandhi if he could built on these failings in ber have ensured for himself the premiersbip—and might still do so though neither trusts the other beyond their thumh nail. which have clearly heen avail. He has felt uneasy about heing able to her Congress Party. Her allied to the Hindu chauvinist weakness has been the deep Jan Sangh Party whose organ-resentment within Congress isation and strength in the against the influence over the North mean it can expect to North mean it can expect to contribute about half the seats the Janata wins in the new Parliament. To the anodyance of some of his followers be nas

he himself bas a son with a blemisbed record.

it.

Mr. Charan Singh, initially ... The further Mrs. Gandhi finds office as well as heing the base beyond the faction of the acclaimed leader of the Harijan farming community that he represents. He even risks losing in his own constituency.

Accepted Indian practice is that the leader of the single and through the support of

preferred a younger leader, his Tamils. How close she comes to an overall majority in a Parlia-ment of 542 seats will depend mostly on her success in winning the votes of the Moslem and Harijan communities of North India accounting for 20-30 per cent of the population in the key states of Bihar and Uttar Pradesh which between them command 139 seats.

Balancing factor

It has become a major feature of this election that because of the divisions of parties and caste the 80m Moslems in India acrying members it is no longer been reticent in exploiting of this election that because of a party they work for with enthusiasm.

Though the Janata Party has he has not ruled out the picked up momentum during the campaign, it has never had the look of a winning team. Its bave become a balancing factor provoking Hindu resent to

government power during the a democratic government—a premiership bas slowly slipped greater will be the temptation permiership bas slowly slipped greater will be the temptation premiership bas slowly slipped greater will be the temptation from the race—a victim of his skill virtually every ministerial Go-ernment's mismanagement from the race—a victim of his to strike a deal with Mr. Jaglivan Indian politician Mrs. Gandbl portfolio during his 30 years in and of bis failure to broaden his interests of National reconciliance. herself from a majority the ation, would remove the charges from Mrs. Gandhi and leave Mr. Ram as an interim premler.

Apprehension of Mrs. Gandhi's possible return to power is widespread. In many ways the recent instability has its parallel in the years 1967-69 or 1973-74 -also periods of economic recession, high prices and a fragmentation of political authority that reflected aborp social

The main difference is that in recent years the Indian economy has developed a new underlying strength. Agricultural output has grown, the relaxation of controls in the public and private sector has released more dynamism in industry and the growth in the number of job creation programmes has provided some safety net for the very poor.

Effective government is needed to tackle the problems of high inflation and labour unrest and of the bottlenecks in the infrastructure sectors of power, coal and transport that are at the moment throttling growth. Effective government was what Mrs. Gandhi failed to provide in her 11 years of power until, overwhelmed hy proh-lems she proclaimed the emergency in 1975.

The authoritarian rule of the Emergency provided the illusion of stability—hut it was little more, as was demonstrated by the thoroughness with which it was swept away. Mrs. Gandhi is still a firm heliever in iron discipline. But even the hush ness community which had been among her staunchest sup-porters now believes that the iron hand is both too facile a solution and one that could further distort an economy increasingly envigorated by competition.

The dearth of talent around Mrs. Gandhi is equally worrying. Her father Jawaharlai Nehru worked with or was held in check by the powerful Con-gress politicians who brought the country to independence. The Janata Government for all lts faults included a broad range of people—Mr. Jagjivao Ram, Mr. Atal Bihari Vajpayee, the Foreign Secretary, Mr. George Fernandes, the Minister for Industry—who reflected the complexity and diversity of a nation of 600m people.

Mrs. Gandhi has no liking for men of independence or strong character—ber suspicions of conspiracies against ber seem to have grown since she was voted out of power and then threatened with judicial charges. Distrusted by her or the national poll. distrustful of her, the old Congress leadership has either left her or been purged. The only politician of any stature left in the party is Mr. H. N. Bahaguna a former Minister of Petroleum who has a following in Uttar Pradesh. Otherwise Congress Party tickets have heen awarded on the basis of subservience and loyalty—a criterion that bas brought back the men who misled her in the Emergency and helped hring her name nto disrepute. Along with them have come camp followers -some with criminal charges pending against them.

The third source of apprehen- easily expire.

sion is that though Mrs. Gandhi is nationally the hest known politician, in the present circumstances she is less likely to be a unifying factor than a fresh cause of dissension.

The immediate fears are in the civil service, the public sector industries, the Press and judiciary where there is little-doubt that Mrs. Gandhi is anxious to settle scores of the last 21 years. Beyond that the period of Janata has seen the emergence of new bases of power in the country—the Marxists in Bengal, a stronger trade union movement, the deeper penetration of the Jan Sangh across north India, caste lohhies reflecting the increased prosperity of the farmer class, and new regional groupings. Mra. Gandhi's vision of a united India does not encompass such divergence. Equally the Marxists, the unions and the Jan Sangh are preparing to do battle with her. Violence is more likely to grow than de-crease as Mrs. Gandhi has promised.

Coalition hope

Because of these fears many hope that Mrs. Gandhi's majority will be elim enough for her to be forced into a coalition that will hind her hands. But on whatever terms she comes hack her name is so linked with authoritarian rule that this fear alone is likely to usher in at

least a temporary truce.

Her immediate concern will be the dropping of the charges against her, against Sanjay and against her other followers.

Beyond that she has at the moment only one state govern-ment in which her faction of Congress has the upper hand. Victory in the national elections would result in changes of allegiance in a number of State Assembles to bring more State Governments to her side. Besides, some fresh state elections are likely to follow soon

Mrs. Gandhi's opponents have spent much energy determining how they will resist her after the election. It is just possible that the fear of Mrs. Gandhi will produce a majority coalition in Parliament to defeat her. But lt is not a coalition that is likely to provide a stable government. Whichever way the dice fall, India expects tense months ahead aggravated by the problems of a country slipping into a sharp though possibly short lived recession. The encouraging feature is that Indian democracy has stood the test of 30 years. It will not

Close to the bitter end

But for the floods, the cold, the steel atrike and the invasion of Afghanistan, one of the more remarkable judgments which the European Court put into the EEC Commission's Christmae stocking would not have escaped attention. It is yet another instalment in the hitter sags of ieoglucose, the liquid sweeteoer produced from starch more cheaply than the conventional sugar from augar beet.

Production was started in Holland by Royal Scholten Honig and in the UK by Tunnel Refineries. Fearing competition to sugar beet, the EEC conneil imposed a levy on Isoglucose in 1977 to make production un-economic. This intention is evident from the Commissino's Inter-office papers. The regula-tion 1110/77 was nothing but eham when it pretended (by means of non-operative prhyisions) that the levy bad some

In 1978 the isoglucose_producers obtained from the Euro- European Court. pean Court a declaration that the levy was imposed illegally because its calculation was grossly unfair."

Thay then claimed compensaproduction, additional costs of storage, and supplementary investments necessary to intro-European Court last month. by itself is not sufficient to ready with instant comment. involve the Community in upon matters of significance, liability. Such liability can arise

has "manifestly and gravely"

disappointment to Professor he was pleading the isoglucose

one of the most ardeot frien's the European Court has har in this country. At Kings, where he teaches European law. he has organised semioars explaining the Court's work and stressing its importance. Not

arguments-it did not even mention them in the 142-page judgment. More is certain to he heard about the case. In its 1978 judgment declaring the levy illegal, the Court went out of its way to suggest that the Community should measures to assure "the proper

functioning of the sweeteners market." The Commission and Council were not slow in doing just that; indeed they were in such a hurry that they nmitted to consult the European Parliament before making their new regulation. Thie has made the deputies very cross. They are now contemplating the possiblother purpose. lity of taking hoth the Commission and the Council to the

Slow fuse

Westminster veterans were raktion from the EEC for loss of ing over thair memories yesterday, following the release of ing Street for an advance brief-Cabinet minutes which lay bare ing hefore Cripps went on tha investments necessary to intro- the ministerial agonisings air. duce substitute products. The before Labour's 1949 devalua- I claim was rejected by the tion of sterling. It is clear that more leisurely pursuit 30 years senior politicians in those pre- ago. The Court held that illegality television days were far less

The Chancellor, Stafford only if a Community institution Crippa, told the nation about the THE DURABILITY and other 30 per cent devaluation (which ahused its power. The applistry he wrongly called a revaluation of the regulation and the flaunting a speech after the planting and the flaunting and the fl in a speech after the nine lng of the EEC Treaty's aim of o'clock wireless news on Sun-Sir Freddie Kearns, who worked greater efficiency in agricultural day, September 18. It was not with him during negotiations to until Wednesday, September 21 get Britain into the Common that the Shadow Cahloet met. Market, remembers our newly. and put out a statement saying appointed ambasador to Israel there was a "very grave sitoa- as "tough, professionally Francis Jacobs, of King's Coltion" which demanded a "full devoted to making a success of lege, London—not only because explanation" in the Commons. the thing." Lord Woolton, still regarded. "He'll get on well with the



Money isn't the only thing they seem to be short of!"

as the Tories' most successful chairman, and noted for a droll sense of humour, explained in later years: "The announcement came at an awkward time for us-Winston was In the South of France, Anthony (Eden) was in Canada, and 1 was at Haywards Heath." But Woolton's memory played him false, because although he may indeed have been in Haywards Heath, both Churchill and Eden had been called in to 11 Down-

It appears that politics was a

Boots and all

qualities of John Robinson, 54, should be well suited to the Israelis. He's a great believer in real politik," Sir Freddle

A year or so after Britain joined the Community Robinsoo was made ambassador in Algiers, remaining there until 1977 when he was appointed Minister in the Washington embassy. He moves to Israel in mid-March.
From the heginning of the

sixties to 1973 Rohinson became deeply involved in European Community affairs, and in 1970 he was appointed special assistant to Sir Con O'Neill, top official in charge of British entry negotiations. Affecting boots inatead of shoes-"great hig hovver boots," a former collague aaid—he stalked the Brussels corridors, resolutely guiding the various UK negotiators along the same track.

There was no way Con's atrange team of mules could have been kept on the go with out someone like Joho charging around and whipping them into line," Sir Freddie reflected, At that time he himself was the "mule" burdened with agricultural matters.

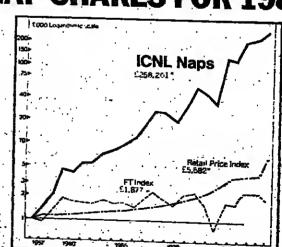
Towards the end of the entry negotiations, after a particularly wearying all-night session in Brussels, Robinsoo and he were smitten by hunger. At 5 am, over plates of spaghetti in an all-night cafe, the Foreign Office muleteer observed across the table: "You know. Freddle, this takes me back to my earliest days in the dip service, back to the time I got my first tape-

Something fishy

Granada Publishing Company is proudly announcing its new dition of Harbottle's Dictionary of Battles. A full-page advertise-ment in The Bookseller says the book covers all the big battles of history "from Marathon to Dien Bien Phu to the Yom Kippar War . . . " Than what about the Cod War?

Observer

DON'T MISS THE NAP SHARES FOR 1980



*Before gains tax and expenses. Figures as a December 13, 1979 At the beginning of every year the IC News Letter selects a number of shares (generally six) for capital gain over the following twelve months — its Star Nap Selections.

The chart above shows the cumulative 12-month performance of ar's Nap Selections over the last 23 years, including that of the 1979 selections. If you had invested £1,000 in the 1957 Nap Selections and reinvested the proceeds at the end of each year in the new annual selections, your initial £1,000 would now be worth *£258.201 (before gainst ax and expenses) against a mere £1,877 if you had invested in the FT index and £5,582 if you had managed to

keep pace with inflation.

In addition to its annual Nap Selections, the IC News Letter gives regular weekly share recommendations and investment advice. The overall record shows that its recommendations have beaten the index by a wide percentage margin averaging well into double figures on an annual basis. The News Letter also has an impressive track record with its general market and profit-taking advice over the years, as supported by the many appreciative letters received from subscribers. An outstanding feature of its advice over the past year has been its strong advocacy and expanded coverage of oil shares, and its range is now being extended further to enable its subscribers to obtain the maximum benefits from the recent lifting of UK foreign currency controls and the exciting new opportunities arising from this. maximum benefits from the recent lifting of UK foreign currency controls and the exciting new opportunities arising from this.

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Yo: Marketing Department, ICNL, Freepost, London EC48 eQ1. tendose my cheque i payable to Throgmorton Publications Ltd) for a year's subscription to the IC News Letter, commercing with the January 4, 1990 Nep Selection ☐ £48 00 UK ☐ £54.00 alrmail outside UK This price includes a free fitting binder. Mr. Mrs. Miss.

Registered Number: 905696 Registered Office: Bracken House, Cannon Street, London ECAP 48Y, By error the figure of £314,559 was quoted in this position on 8 December. The correct figure at that date was £249,900.

The ludicrous anti-indexation campaign

THE ORIGIN of the second which may ha higher).

phase of the Thatcher Govern— The figure of £9bn is the ment's spending curbs is largely political. The spending programmes for 1980-81, published in the November White Paper, were higher than the Treasury's original target. So long as the mood in the Parliamentary Conservative Party was dominated by fear of unpopular cuts, there was little that Treasury easier to finance more Govern-Ministers could do but lump it. The 17 per cent Minimum Lending Rate on November 15 transformed the situation. The critical noise which the Cabinet began to hear most clearly was

a clamour for more spending

They were, of course, pushing at an open door as far as the Prime Minister was con-The speeches of Treasury Ministers about the possible need to increase taxes in the Budget if the public sector unions misbehaved, may not have frightened the unions, but they certainly galvanised the Prime Minister. As Peter Riddell explained on December 21, there will be a series of bihaggles Treasury and spending Ministers in time to put new figures on time (it is already late in for 1980-81 in the medium-term both countries) or has a shape Public Expenditure White Paper, which will now probably appear in March and which—
together with the cash limits
White Paper—will constitute
the real Budget in all but name the real Budget in all but name. looks as if the Chancellor can All this has been already sensed, if rather vaguely. But

provisional target for the level to which the 1980-81 PSBR should be brought down in the view of those sections of the Treasury where the monetary targets are taken seriously. The disposition there is to be very wary of assuming that the muchforecast recession will make it ment borowing before the

recession has already occurred. The undeclared target in the new round of spending curbs is thus a good deal higher than generally realised. It is to reduce by a further £2hn the expenditure estimates for 1980-1981, a sum which includes whatever savings can be made in the UK contribution to the EEC Budget, of which only

£350m is in the bag. There is nothing particularly shocking or excessively defla-tionary" about these targets. A peculiar mood has developed in both the US and the UK in which policymakers wait for a recession to come along and solve all problems. But it is in just such circumstances that the or aize or economic effects different to 1bose expected.

borrow more than £9bn at acceptable interest rates, it will what has not been generally be the easiest thing in the world, recognised is the magnitude of for instance, to raise real tax the new exercise. The best guess thresholds (which would be of those most concerned with much more effective for work monetary policy is that the incentives than cutting the basic Public Sector Borrowing Retax rate.) Even if the Budget quirement will be £11bn in 1980- were in some sense too 1981 if no fresh spending cuts "cautious," its main effect are made, compared with an would not necessarily be on outestimate of £8.3hn for this finan- pnt and employment, as was cial year (and an actual outturn supposed in the heyday of fine-

tuning. The principal effects are more likely to be felt in a lower level of interest rates than would otherwise occur.

But if the Government's broad fiscal goals are unobjectionable, our political leaders have ntterly failed to explain why so many onslaughts on public spending are required to achieve them. It has suited the Conservatives to claim that they are shifting resources from the public to the private sector and for Labour to attack them for doing just that. But this is a

battle over something which has

not happened.

The Labour Government's last Public Expenditure White Paper was a thoroughly misleading document because it assumed unwarrantably that the long-term trend for the cost of public goods and services to rise faster than private ones (the so-called Relative Price Effect) bad come to an end. All that had happened was that this tendency had been temporarily suppressed by the differential aqueeze on public sector wages during the Callaghan-Healey pay policies. Similar temporary effects had been observed during the Heath pay policy.

As a study by R. W. Price in the last NIESR Review (which ought to be compulsory reading for all speakers in economic dehates) demonstrates, the Labour Government underestimated the cost of its plans by. nearly £21bn in 1979-80 and nearly £6hn in 1980-81. This is over and above the effects of underestimating the general inflation rate. Part of this shortfall is due to the recent pensions increase, which would bave occurred whichever party had won the election, but most is due to the increasing cost of public services, relative

SOCIAL SECURITY BENEFITS 1979-80

| Benefits | (estimated |
|--|------------|
| Unemployment benefit | 739.0 |
| Sickness benefit | 700.0 |
| Invalidity benefit | 1,005.0 |
| Maternity allowance | 135.0 |
| Death grant | 76.0 |
| Guardian's allowance and child's special allowance | 2.0 |
| Widow's henefit | 0.032 |
| Retirement pension | 8,793.0 |
| Old person's pension | 36.0 |
| Supplementary benefit | 2,300.0 |
| Non-contributory invalidity pensions | 77.0 |
| Attendance allowance | 217.0 |
| Invalid car allowance | 4.0 |
| Mobility allowance | 84.0 |
| Industrial injury benefit | . 55.0 |
| Industrial disablement pensions | 250.0 |
| industrial death benefit | 36.6 |
| Child benefit | 2,800.0 |
| Family income supplement | 25.0 |
| War pensions | 378.0 |
| Welfare food | 31.0 |
| Lump sum payment to pensioners, etc. | 102.0 |

Source: House of Lords, Henserd, P.196. October 24, 1979.

If you think that a Conservative Government dedicated to aound money would at least have presented its figures more realistically, you are obviously very new to British political economy. The present Government's White Paper of last November was a giant step backwards, containing only figures in volume terms, which made no allowance for changing ralative costs and was thus in the funniest of "funny money." As the NIESR study showed, all that the Conservative cuts to date have done is to offset Labour's overoptimism oo costs -or in the jargon which is used

spending in cost terms is still per annum, even after allowing for inflation between 1978-79 and 1980-81 and is likely to he 12 per cent bigher as a percentage of GDP in the latter year. Thus one does not have to subscribe to the November White economic problems" (a sentence not incidentally written by any Minister) to see the need for further curbs.

for cost increases." Public

Quite the most wrong headed way to curb spending would be to follow the inspired hints -have "substituted volume cuts against indexation which were

very sensitive to anything, such tied to prices only. Index. This sensitivity is sup-other short-term henefits at posed to arise because public present linked to the Retail which they are not at all. In tainly powerful deterrents to risen far more than the prices tax and social security system. index, and in a few a good deal The "poverty trap" which can

rising too fast (perhaps even faster than the NIESR estimates just cited allow for), it benefits, being at least aa is because the present Government, like the Callaghan one, has been prepared to buy off trouble and keep the Clegg Commission going, with its infinite possibilities for boosting spending and pricing people out of jobs. It is indeed difficult to see the common sense or justice of expecting the steel workers to contem-plate a cut in real wages, because their industry is making a loss, when public service staff and the Clvil Servants, who have never faced a profitability test in their lives, are having their pay upgraded.

The attack on indexation represents the search for a scapegoat by appeasing ministers and officials who do not have the courage lo abandon Clegg and Civil Service pay research. The area where action is most likely is Paper view that "public ex social security benefits Long-penditure is at the heart of our lerm benefits, which are mostly pensions, have up to now risen either with the general wage level or the price index, whichever bas gone up most. It is hardly surprising that, with this overblown formula, expenditure has soared. The Social Services Secretary, Mr.

make people worse off as a

result of taking a job bas several roots-low tax thresbolds and the non-taxation of important as the henefit level itself. There is, of course, nothing sacrosanct about a particular level of benefit, especially ahort-term benefit—for which undartakings. It need not the humanitarian case is probably less than for the long-term anything, but is basically an

index as a backdoor method of

reducing the real value of short-

term benefits. For we would then be in the absurd position where the higher the rate of inflation, the more these benefits were cut. Thus the Govern-ment would have a vested interest in a high inflation rate as a method of cutting public spending. This is over and above the interest it already has in maintaining inflation as a result of refusing to borrow on indexed stocks and committing itself to pay nearly 15 per cent interest rates into the 21st century - no real burden at the moment but impossibly operous if we ever had low or zero in-

flation. If Mrs. Thatcher is really serious about tackling the question "why work?" she would hardly have countenanced the failure to index child henefits.

spronting all over the place Patrick Tenkin, is bringing in As Mr. Frank Field has before Christmas. legislation to amend the frequently pointed out in the legislation to amend the frequently pointed ont in the Mrs. Thatcher is known to be formula so that pensions are Letters column of this paper, child benefits are deducted from as increases in nationalised in-dustry prices, which have an indexation is being considered of the benefits, the greater the impact on the Retail Prices is unemployment and perhaps gain from taking a job. It may be difficult to afford a real increase in child benefits at the sector wages are indexed - Prices Index. There are cer moment, but to cut them by dishonest method of non-indexasome recent years they have work at the lower end of the tion blatantly contradicts all the pious ministerial talk of improving the supply side of the economy.

So far from indexation being "giving in to inflation" it is the failure to index which constitutes such a giving in, as these examples show properly understood, is simply a search for a stable measuring rod for contracts and official variety... attempt at honesty in public But it would be crazy to drop life. It means that if the the link with the cost of living Government has to raise taxes. it does so openly and not by allowing inflation to erode tax thresholds. It means that if a particular labour market deteriorates so that a real wage cut of 5 per cent is necessary this is openly admitted instead of giving a 15 per cent nominal increase and hoping that prices will rise over 20 per cent. There may be more suitable indices than the retail price one for particular purposes. But while inflation persists, indexation is bonesty, while anti-indexation

> In short, my New Year Resolution for the Cabinet would he to drop its anti-indexa. tion campaign and start another one for bonest and open government as the only bope for getting our public finances right -and for more important things

Samuel Brittan

Letters to the Editor

Selling to tourists

for 1930.

(Sir) Henry Marking,

The water

industry

British Tourist Authority.

64 St. James's Street, SW1.

December 20, and the confusion

in the report between the water industry and the instrument-

upon the instrument manufac-

turers. Britain's water industry

ia second to none in the world

Bicycles on

Sir. — I hope that, in his

trains

From Mr. J. Taylor, MEP Sir.—The Government must be congratulated for its veto at last month's EEC Council Ministers meeting of the Commission proposals for distribution of the new non-quota sec-

EEC regional

fund quotas

In the existing quota scheme the United Kingdom is allocated 27 per cent of the available funds and it had been boped thal the non-quota scheme would bave been used to increase the allocations to the attractiveness to visitors of wbat poorer member nations of the Community. Instead, the distri-Britain, and London in particubution of the non-quota scheme lar, has to offer in shopping bere actually gives the United King.—and we do still offer good actually gives the United King.—and we do still offer good dom less than 27 per cent and value for money. Much more increases payments to richer could and should be done to nations such as France. empoasise unis.

Another aspect of the non-quota scheme which requires the urgent attention of the Government before the scheme is presented once again to the Council of Ministers for approval is that section for the development of tourism and rural craft industries in the border region between the United Kingdom and the Republic of Ireland. In the Republic all five counties along the border are to be aided by £10m whereas in the United Kingdom there will be a dif-ferent hasis of aid distribution. Instead of all four counties along the horder being aided it will only be specially selected district areas within these four counties which will qualify. Likewise the amount allocated 10 the UK border counties is to be only half of that allocated to
the Republic of Ireland border
counties.

As a member of the European

As a member of the European

The "higher standards"
referred to are being urged not

Parliament's regional policy upon the water industry but committee I inquired why there upon the instrument manufacwas not to be £10m allocated to the UK as was heing given to the Republic. and I was told in its pusuit of exacting stand-that this would he impossible as it would increase the UK's total water disposal. Further, within allocation from the non-quota the severe financial constraints scheme to over 27 per cent. In now put upon us, we in Thames other words, an unofficial quota have a good record in taking scheme is being operated for advantage of modern process the non-quota scheme. control systems.

Likewise when I queried the proposal not to aid border the Department of Industry tbut counties in their entirety in the north as was the basis of aid in the south of Ireland I dispensed that the Ireland I dispensed the Ireland I dispe covered that this was an earlier automated control systems for private arrangement between use in the water industry. This the former Dublin Government is greatly to be regretted and the then NI Secretary of State, Rt. Hon. Roy Mason, MP.

The net result of this arrangement is that the cross-border control systems based on microscheme in the United Kingdom processing technology. is to be restricted to seven districts within the four border counties. Of these seven districts six have anti-British Avenue, ECI. majorities. The remaining five districts in these four border counties are all to be excluded: five bave pro-British majorities.

The implication that tourist From Mr. R. P. Dore development should be restricted to areas such as Cross-maglen; Carrickmore; or the objectives of British Rail, Mr. Bogside is discrimination at its Haydon (December 29) is not worst and is exactly why Ulster typical of BR's top manage-Unionists suspect NI Office talks ment. The free cycle scheme, about an Irish dimension or cross-border co-operation.

I hope that the Conservative and Unionist Government will business and improve BR's

revise this scheme before it internal rate of return. No comes before the Council of mention of the social objective Ministers in Brussels early this of generally promoting the use year. Conservatives should of cycles in a country which ensure that funds are has (however, half-heartedly) distributed in Ulster with accepted energy conservation as a national objective. John Taylor.

Northern Ireland.

struggle to survive against road From the Chairman, transport, which of our national Interest in stressing than energy conservation?

Claymore,"

31, Arley Road, Solihull. British Tourist Authority, Sir,—In Michael Cassell's article, December 22, "Oxford

Street's boom years at an end.". Clearly the cycle business can't be left to the Passenger be rightly refers to the great importance to London stores of Manager (Marketing). The problems Mr. Haydon lists are doubtless real, but there are our overseas visitors, but in his view "one of the most buoyant periods in Oxford Street's recent history is at an end."

Need It be? The British
Tourist Authority, within its
strained financial resources does other ways of tackling them than simply banning hikes. R. P. Dore.

157, Surrenden Road. its best to promole overseas the

Accommodating passengers

From Mr. D. Chotterton Sir,-If Mr. Haydon, British Rail's Passenger Manager (Marketing), is really serious about BR's role as a "mass mover of people" (December manufacturers alike must do their bit too.

The trade, with some honourable and important exceptions. 29), then can I suggest that in addition to cyclists he also bans the from peak bour trains the disabled, people with heavy baggage and suilcases, the unfit and the excessively fat? I can think of ways in which all of these groups can delay the loading and unloading of trains, as well as causing conflict on platshort if we are not to be too late forms, staircases and barriers, behaviour which Mr. Haydon attributes to inconsiderate cyclists. Perhaps we can have some figures on the delays which From the Chairman, Thames these groups cause, along with the delays which are BR's own Woter Authority.
Sir,—The headline to lohn
Lloyd's report in your issue of

responsibility, so that at least

really are.

we can see how guilty cyclists

Donbtless BR, when it introduced its scheme to convey cycles by train, did not expect it to be used by commuters, but this lack of foresight is no reason for the blanket han proposed. Why not first, for instance, try making it clear that riding on concourses and platforms is just as inconsiderate and dangerous as opening doors before the train stops, or subject to the same penalty as improper use of the communication cord? Why not designate the more why not designate the more lightly loaded trains either side of the peak as for use by cyclists? And why not ease the loading problem by making known in which parts of the train cyclists will be conveyed? -after all, on Irains which serve stations with short plat-forms BR advises passengers to use certain coaches only and the arrangement works well

enough. I suspect that most cyclists are just as interested as other passengers in the efficient operation of commuter trains. I suspect also that ways of accommodating them with minimum inconvenience would be found if BR really wanted to. If cyclists are not wanted and BR feels it must apply a han then at least justify the action with facts and figures rather than mere suggestions. Trying to label hike-riding commuters as inconsiderate vandals is just not good enough! David Chatterton. 34 Derby Road, Forest Gatc.

Petrol price

From Mr. W. Norman Hill Sir,—As an industrialist and exporter of British products, I dual to have access to the files can see that the proposed increase in the petrol price, quite ment departments so that one apart from any personal can examine the job specifications of various people? But what does BR mean

receives for operating railways cellor of the Exchequer give

on hebalf of the national com-munity, if not that it runs them the duty payable on petrol and in accordance with the com- diesel fuels with an obvious munity's purposes? And in its henefit to commercial firms and private individuals. W. Norman Hill,

Building at Stansted

From Mr. C. Strong
Sir,—In his article (December 28) about the development of Stansted as the third London alrport Micbael Donne stated that housing and other facilities for a community of perbaps 250,000 would need to be provided. I would like to suggest that extensive development in the immediate vicinity of Stapsted would not

Stansted is already easily accessible by road from Harlow and parts of south Essex and north east London. If the M11 were extended southwards and the existing rail services were improved, with motorway and rail links into the airport (all of which will surely be necessary in any case), Stansted would be within easy reach for an even larger population.

It would seem to me infinitely preferable to provide subsidised travel to enable people in existing built-up areas, some of which have declining employment opportunities, to work at the enlarged airport, rather than to build yet more houses on our rapidly declining stock of good agricultural land. C. M. Strong. 89. Cornwall Gardens, SW7.

Members of the bored

From Mr. Brian Maurice. Sir, Might I suggest that the reason why management and a majority of the independent members of the Board of Directors of the Post Office have decided that the worker director experiment "was not doing any good" (December 13), has some connection with the report published by your Labour Correspondent on the same date, of the demands for "bored level representation " by employees. If this is not a Freudian sllp, are we to assume that Trade Union claims as to the lacklustre leadership of British industry being at the root of the economic problems of this country, are now heing given serious consideration in your columns. Brian Maurice. 17. Coedygric Road. Griffithstown, Pontypool, Gwent.

Gainfully employed From the Chairman.

Blakency Properties. Sir. — As there is tremendous biatus being expressed by the cutbacks in both national and

local government services and facilities, I as a ratepayer would often wooder what is really happening and why il should appear both national and local government offices are so over-staffed. Tacre does not appear to be any action taken to remedy

The question I would like to ask—is it possible for an indivi-

But what does BR mean the economy of the country. To give two examples, and as when it calls its Government with all the present savings in always it is impossible to get subsidy the "contract price" it legislation, could not the Chan-absolute proof, in one area of To give two examples, and as local government I know, there

are a number of building in ment office. He claims that norspectors, and these building mally be never bothers to go inspectors have admitted they out and look at sites, only when bave only one job each, to in the inspectors come in to check spect and, according to inform- out his work-load and what he ation which obviously is second- is Irying to achieve now, is to hand, they only inspect these wander round siles for two or sites once a week, so what are three weeks without answering they doing the rest of the week? any mail so that when the in-One then has to multiply the spectors come along he can state number of instances such as be is overworked and wants this and I think one can get assistance and obviously a very borrific numbers of people who bigh increase in salary. are absolutely wasting their It does not really sound time away being bighly paid plausible, but apparently it is

and with nothing to do. Surely this is a terrible lack of managoing on everywhere.

I come back, therefore, to my prime point: surely there should be an inspection so that rale-In another area, another specific case — this time an payers can go and inspert all architect in this local govern- job specifications and find out

their areas, or nationally. Ralph Murfitt. Blakeney Properties Blakeney Hotel, Blakeney,

Arbitration in Scotland

From Mr. P. Cross Sir,-I read with interest the article by A. H. Hermann (December 20) entitled " Delaying tactics threaten arbitration cases." I would draw your readers attention to the fact toat while the article sets out most clearly the situation which

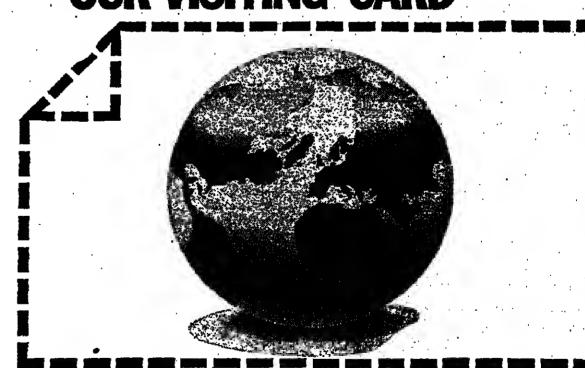
exists in England, here in Scot-

land matters are somewhat what actually is happening in different. I would particularly draw attention to the statement that "the English Courts guard rather jealously their powers lo aupervise arbitration taking place in the UK." Of course, the English Coorts have no jurisdiction over arbitration in Scotland. Furthermore, it is and has been for many years possible for the parties in an arbitration conducted under Scottisb Law to walve their rights of appeal to the Courts.

I would submit that in Scot-land arbitration can, in fact, proceed with expedition and

P. F. O. Cross.

WHERE THERE'S AN INTERNATIONAL MARKET, WHERE THE ACTION IS, IAT'S WHERE W



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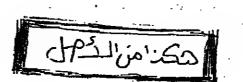
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UK COMPANY NEWS

months since acquisition.

was not made through

TREASURY STOCK

The Bank of England has

of the prospectus dated March 6 1973, 9 per cent Treasury conver

tible stock 1980 will be repaid a par on March 3, 1980.

Alternatively, at the option o

holders, it may be converted as

at that date into 9 per cent con

version stock 2000 at £110 nominal of conversion stock for

agement and offshore services.

executive of ARA Food Services said the acquisition was an

important factor in the planned

expansion of the company's off-shore activities. It represented

part of the company's overall development programme for the UK, which included the exten-

sion of site service activities at

In last year's annual statement.

the directors of Grand Met re-ported that Sea Hotels continoed to maintain profitability "in the competitive North Sea oil and gas

platform catering market."

Apart from the North Sea,
ARA's interests cover vending,

Sullom Voe.

Mr. Philip Houldsworth, chie

E. C. Cases goes

into receivership

has gone into

fencing products group which

reported heavy interim losses in

In a statement yesterday the

company said that the "de-

teriorating trading circum-

reached a point where the bank

considered it necessary to

appoint a receiver. Lloyds Bank.

bas appointed Mr. Robert Ellis

Record profits of £427,000

were reported by the group in

1973 hut there was a steady

decline over the following years.

In 1978 the group turned in a

loss of £8,420 and in the first half

of the current year losses bad

attributed this to a combination

whose brief teture at the Rivington Reed textile group ended just before Christmas, has sold his 500,000 sbares in Reed

to Mr. Graham Ferguson Lacey's

Birmingham and Midland Coun-

It was Mr. Ferguson Lucey who brought Dr. Blackburn into

Reed two years ago, but it was

announced in the middle of last month that he was to be

released from his contract" as

Reed lost £516,000 before tax

the six months to September against a previous £207,000

leisure and drinks group, is pull-

ing out of North Sea catering. It

is selling Sea Hotels to ARA Off-

sbore, the offshore catering divi-

ARA claims this will make it

one of the largest North Sea

catering companies, with a total of nine oil installation contracts,

including Ninian, Beryl, Thistle

The purchase also provides

Grand Met's decision to sell

sion of ARA Food Services.

and Forties.

service them.

ties Trust.

chief executive.

Ex-Rivington Reed chief

market.

rofit. every £100 nominal of 9 per cent The sale of Dr. Blackburn's Treasury convertible stock, 1980

ARA buys Grand Met's

N. Sea catering divison

Grand Metropolitan, the hotels, ties, which included camp man-

comes after seven years of industrial catering, office coffee operating in this highly competi-

sells holding to BMCT

September.

receivership

of Tonche Ross.

Unsatisfied claim forces Walton into liquidation

Wilson Walton Engineering has decided that liquidation offers the only way out of its financial difficulties, which stem largely from an unsatisfied f1.6m claim for work carried out in the North Sea in 1977.

The company said that the claim, which could be subject to arbitratioo, had combined with the difficulty of oblaining new business and the lack of forward orders—it had hoped for a large Dutch contract — to affect Dutch contract — to affect liquidity to the extent that it was impossible to carry on business.

Having looked at the alternatives, it added, the board arrived at the view that the company would have to proceed to liquidation. Wilson Walton's shares were suspended last week at Splast year's high was 37p-at its

own request.
Mr. Anthooy Wilson, the chairman, said last night that shareholders would be asked to vote at an EGM on January 18 in favour of the company seeking

an orderly winding-up.
"We could not carry on without a substantial injection of outside capital," he commented.
He said other UK and foreign interests, including some from Iran, had made approaches. "but you can't live on interest or the prospects of a deal tomorrow."
Wilson Wallon, which came to the market only three years ago. had also been to the National Enterprise Board with its problems, he said. But the NEB considered that the time available was loo short to consider a take

Mr. Wilson, whose family com-pany Wilson Walton Inter-national (Holdings) owns nearly a quarter of the company, said the £1.6m claim was with Shell over the building of a production platform for the Indefatigable gas field in the southero UK section of the North Sea.

Because of extensive design changes, the cost of the work to Wilson Walton had been greater than expected, he said. But

BOARD MEETINGS

The following companies have notified between the control of the control o Such meetings ore usually year's himotable.

Interims—Electronic Rentals, Howden Group, KCA International, B. Paradise, F. H. Torrikins. Final—Birmingham Pailei.
FUTURE DATES

Daily Mail and General Trust ... Jan. 11 Barr (A. G.) Jan. 7
Band Street Fabrics Jan. 10
Invostors Capital Trust ... Jen. 8

claim against Shell and other losses on contract settlements. As a result, it luroed in a £1.7m pre-tax losa against a profit of £900,000 the previous

Yearlings

The full list of this week'a local authority yearling bonds, announced on Tuesday, are as follows: Wansbeck DC (£0.25m), City of Salford (£0.5m), Daventry DC (£0.25m), Borough of Eastleigh (£0.25m), Borough of Hyndburn (£0.5m), Mole Valley DC (£0.25m), North Bedfordahlre BC (£0.25m), North Bettirdamie BC (£0.5m), Borough of Tam-worth (£0.25m), Royal Borough of Windsor and Maidenhead (£1m). Brentford DC (£0.25m), London Borough of Havering (£1m), City of Leeds (£0.25m). South Staffordsbire DC (£0.5m). Wirral BC (£0.5m), Chorley BC (£0.5m), Dudley Metropolitao BC (£0.75m), London Borough of Hillingdon (£1m) and London Borough of Hounslow (£1m):

The bonds have a coupon rate GRINDLAYS STEPS

Issued capital bas been increased from £15.78m to £60m by the capitalisation of £19.02m standing to the credit of the premium account and sbare £25.2m from reserves. capital is held Grindlays Holdings (51 per cent) and Cltibank N.A. New York (49

Further FII factory closures

DESPITE the closure of two London factories, losses have confinued at Footwear Industry Investments' remaining factory units in London and Essex and It has been decided to close these as soon as possible.

By this action the workforce will be reduced by about 275 and It is envisaged that the rundown and completion of closures will be effected by the end of the financial year on May 31, 1980. The directors report that the footwear manufacturing business in Wales is going from atrength to strength and merchanting operations are doing well. Were it oot for the setback in manufac turing in London and Essex, It is probable that this would bave been a very good year for the Company.
While the cost of the closures

will affect the higher level of profit targeted for 1979/80, the elimination of these continuing loss-making units will contribute to a significant strengthening of the Group's prospects for profit improved future performance.

For the last full year a profit shares—the price was undis converted. of 151 per cent, are issued at par of £438,000 was reported after and are due on January 7, 1981. a second half loss of £22,000. a second half loss of £22,000.

claims were not substantiated by fact.

Altogether, the company provided nearly £1.8m in its accounts for 1978 to cover the The authorised capital of Birmingham.

UP CAPITAL

The authorised capital of Birmingham.

The authorised capital of Birmingham.

In a deal worth 699,000 ringgits (£143,532), Bonstead Holdings (£143,532), Bonstead Holdings cent of Progress Castings Sdn Bbd to Delta Building Products, of Birmingham. BOUSTEAD

Milford Docks chairman hits out at dissident shareholders

IN A letter to shareholders, Mr. C. A. V. Smith, chairman of the Milford Docks Company, says

their purpose was to seek to managing director does the trip improve the company's return to Milford about 40 times a year on capital. Mr. Smith disputes and frequently takes other directhe calculation of the return on tors and polential use capital assets and says it is 17.8 docks along with him, per cent and oot 12 nor cent as . Far from being a

Extracts from the Statement by the Chairman,

volumes of all products and services increased

significantly over the previous year. Profits

improvement; this is due mainly to the delay

imposed on our proposed price increase in

Since the introduction of the self-

bnancing productivity schemes in November

1977, we have had far fewer stoppages, indeed

apart from one unfortunate local stoppage of

20 days, there has been nothing of more than

distribution. This is a great improvement over

earlier years. We must continue this excellent

progress in the interests of employees.

In furtherance of this policy, we are

scheme for employees under the provisions of

the Finance Act 1978, which gives tax benefits

both to recipients and to the Company. The

nurpose of introducing this scheme is to give

all United Kingdom full-time employees who

have worked for more than three years in

Bass an opportunity to share in the progress

of the Company year by year. Our aim is to

towards the single purpose of maintaining a

establish a happy team working together

successful company for the benefit of all

It is the Board's intention that

shareholders should receive dividends

growing in line with earnings in real terms.

proposing to introduce a share ownership

token interference with production and

customers and shareholders alike.

January 1979 by the Price Commission

before taxation have not shown the same

In the year to 30th September 1979, sales

Mr. Derek Palmar

investigation.

Milford Docks Company, says that recent criticisms of the cumpany are either erroceous, illipudged or misleading.

Early last mooth a group of dissident sbareholders who are seeking board representation said their purpose was to seek to managing director does the trip in Milford about 40 times a year

IN AT TEBBITT

Mr. John Bentley has been managing director does the trip to Milford about 40 times a year and frequently takes other directors and polential users of the docks along with him.

Far from being a waste of the fold. The decision was has an annual turnovar of over made after a review of the future far from being in this highly competitive field. The decision was has an annual turnovar of over made after a review of the future fut

organised by Scanoit — also bring this "nineteenth-century criticised the directors use of the company aircraft also company into the fwantiest ARA with its first contracts on gas platforms. These are situated off the coast of East Anglia and ARA plans to open an office in Great Yarmouth to

BENTLEY VOTED

MINING NEWS Israel bromine

expansion

BY KENNETH MARSTON, MINING EDITOR

spend U.S. 2560m (£117m) over the next four years oo expanding. As a result the company exproduction, reports Lore Daniel from Tet Avtv.

from Tel Aviv.

The emphasis will be on increased output of potash and hromine from the Dead Sea.

Higher production is envisaged: of bromine products and it is hoped to expand the use of bromine in fire-retarding bromine materials.

As a result the company expects exports to rise from \$225m during the current fiscal year to \$280m in 1980-\$1 and to \$600m in 1984-\$5 at today's prices.

These figures compare with exports of \$156m in 1978-79 of which openhird was accounted.

which one-third was accounted for by polash, one-third by phosphates, and the balance by bromine and fertilisers. Already the Dead Sea bromine

SPAIN Benco Bibao Banco Contral Banco Exterior Banco Hispano Benco Ind. Cot. Banco Madrid 230 220 220 137 175 250 190 218 205 Banco Magno
Banco Santandar
Banco Urquijo ...
Banco Vizcaya ...
Banco Zaragoza Espanola Zing Faces
Gal. Preciodos
Hidrole
Iberduaro
Petroleos 54.5 25 58.7 58 113 ************

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fSRAEL'S Government-controlled group is the world's largest Israel Chemicals, the quoted bold-exporter of bromine compounds ing company whose interests and the largest producer outside cover 11 mining and mineral the U.S. with a yearly output of 53,000 tonnes.

This is to be doubled over the next few years. At the same time, exports of potash are to be increased by 50 per cent to 1.8m tonnes, aroundly and these tonnes annually and those of phosphate rock to 3m tonnes a

year.
Still under construction is the Rotem fertiliser plant near Arad, in the Negev, which is to go on stream in 1981. It will make phosphoric and sulphuric acid, a wall is companied for filliers. as well as compound ferfilisers.
When the plant is fully operanonal, Israel Chemicals expect
to export 150,000 tonnes of
phosphoric acid annually, as
compared with 25,000 tonnes at

present.
Most of the research for the Israel Chemicals group is carried out by a subsidiary in Haifa, Israel Mining Industries, which

also sells know-how abroad. It has developed many new-processes, particularly in the field of the production of clean phosphoric acid and of potassium

NEW LIFE BUSINESS

Buoyant year for Pearl

A provision of fl.1m was SUCCESSFUL marketing of single linked life savings plans and an made in May, 1977, against the exceptional rise in its industrial investment in Multyflex (IMC), which the group had acquired life business were the dominant the previous June, following the | factors in a buoyant year for the appointment of a receiver to the Pearl Assurance Company. New premiums subsidiary. Multyflex had made advanced by 27.8 per cent in stances" of the company had a loss of £182,000 in the first six 1979 from £31.3m to £40m, while single premiums were 63 per Mr. Yvon Milre, who took cent higher at £20.2m against over the chairmanship when £12.4m.

Mr. A. J. Merrett resigned in The company's linked life May. 1977, said yesterday that business sales last year accounted for all the single the company had found it difficult to overcome the setback premium growth and the expancaused by Multyflex. This comsion of business in the Ordinar bined with high interest rates, industrial disruption, bad nranch. The company's field staff were pushing this business weather and depressed demand in 1979 backed by a major TV advertising campaign. had brought the company to annual premiums were reached £178,000. The directors its present position.
attributed this to a combination The shares were suspended three times higher at £4.5m against £1.3m and single premiums more than doubled of had weather and the indus- yesterday at 5p which compares trial situation in the early with a high for 1979 of 154p.

from £5.5m to £14.6m. But it appears that sales of linked business were made at the expense of other forms of Ordinary tife business. Sales of traditional with-profits savings contracts rose steadily from £4.4m to £4.7m, but self-employed DR. JOHN BLACKBURN, the closed but believed to be well former chief executive of Carrington Viyella and Vantona of 16p a share—brings Birmingpensions business declined by 50 above yesterday's market level of 16p a share—brings Birming-ham and Midland's stake in Reed per cent m 1979 from £4.8m to £24m However, Pearl under-took a major TV campaign in 1978 to sell personal pensions to the self-employed which resulted up to 28.3 per cent. The deal in exceptionally high sales that year. The results for 1979 represent a more normal pattern

> Overall, new annual premiums m the Ordinary branch improved by 8 per cent from £14.4m to

and are well up on the 1977

In the Industrial hranch, new annual premiums rose by 44 per cent from \$16.9m to £24.4m. There were however, two factors of a special nature that boosted the results in this sector. The figures for 1978 were artificially low, owing to a change in accounting practice that resulted m only 49 weeks' husiness being taken into account. Also last year saw the change in the method of crediting tax relief on life assurance premiums which gave a one-off boost of 21 per cent to premiums. Nevertheless there was strong underlying growth in this type of business— premiums paid weekly or four weekly and collected by agents.

SCOTTISH WIDOWS' GROUP New premium income for the Scottish Widows Group in 1979

was again a record, though the increase did not match that of the previous year. New annual premiums rose by 5.7 per cent from £38.7m to £40.9m and single premiums by 13 per cent from 127m to £30.5m. In 1978, new annual premiums advanced by 33 per cent.

Business written by the society itself showed annual and respectively. Pensions business rose by 7 per cent from \$16.2m to £173m and sales of low cost endowments in connection with mortgage repayment business held steady, even though the company is not in the mortgage

top-up field.
Total subscriptions to society's Exempt Unit Trusts were down last year from £6.9m to £5.9m. But the pensions management subsidiary, which offers investment management to

Bonuses

The Scottish Widows' has again substantially increased its rates of intermediate reversionary bonus on most with profit contracts. For ordinary with profit policies, the new rate is £4.90 per cent per annum of the sum assured and attaching bonuses against £4.70 per cent previously. On personal pension, Pegasus and other individual and master schemes the rate is lifted from £5.50 to £5.80 per cent per annum compound. The company has also improved its terminal bonus rates on claims in 1980 particularly for the shorter terms.

declares The company reversionary bonuses once every three years, the next declaration being due at the end of this year. These new interim artes give a firm indication of the rates likely to he declared.

The Sun Alliance Insurance Group has maintained in 1979 its record bonus rates declared the previous year. ordinary life policies this is £4 per cent of the sum assured and £6 per cent of attaching bonuses, while on personal pension contracts it is £4.20 per cent of the basic benefit and £5.80 per cent of attaching bonuses. On the executive pension plan, the rate on the basic benefit is kept at £3.75 per cent but on attaching bonuses it is lifted from £5.50 per cent to £5.75 per

pension schemes on a unitised hasis, again showed strong growth New annual premiums improved by 18 per cent to £14.8m and single premiums by 35 per cent to £17.1m. SUN ALLIANCE

San Adiance Insurance Group reports a 15 per cent rise in new annual premiums in 1979 from to £18.5m-half the £16.1m

increase recorded for 1978.

pension

virtually accounted for most of last year's unchanged at £26.1m and £7.5m growth with annual premiums rising 30 per cent from St.3m in 18.2m Executive pension bus was extremely buoyant while individual life business improved by 5 per cent from

59.8m to £10.3m. The company recorded an increase in with-profits savings contracts, but a slight fall in low cost endowments connected with mortgage repayments, the company not being in the top-up mortgage market.

Regular premium self-employed pension husiness remained state in 1979. Annual premiums from the linked life subsidiary amounted to £400,000.

However, single premium business last year declined by 5.7 per cent from £10.6m to £10m. the whole of this fall coming from linked life business. This amounted to 55.4m last yearagainst £6.2m in 1978—the first full year of mperation of linked business Other traditional single business remained premium static last year.

New sums assured were 17 per cent higher at £800m but annuirles declined slightly to

SCOTTISH **PROVIDENT**

AN INCREASE of 20 per cent in new annual premiums, from £12.29m to £14.75m, is reported by The Scottish Provident Institution for 1979, compared with a rise of 31 per cent in

Premiums on ordinary life husiness were 10 per cent higher at £5.95m against £5.4m, and most of this growth came from low-cost mortgage related contracts, even though the company has a relatively small involvein the top-up mortgage field. However, the 1978 level of business for self-employed annual premium business and small pension schemes was not fully maintained last year.

pension scheme business remained buoyant in 1979 with new annual preminms advancing 28 per cent from £6.89m to £8.8m. This mcrease was lower than that achieved in the previous year; business in 1978 was exceptional owing to the introduction of the new State pension scheme. The expansion of pension business in 1979 came from a natural increase in existing schemes. from new entrants and from igher benefit levels due to inflation.

Single premlums in 1979 were 18 per cent higher at £7.6m compared with £6.45m, with selfemployed pension business being . extremely bnoyant in contrast to anoual premium business in this sector. Net new sums assured were up 11 per cent at £535m and new aunuities 30 per cent husiness to £38.6m.

New issues lower in 1979

Group

STATISTICS COMPILED the Midland Bank show that the total of "new money" raised in the UK in 1979 by the issue of marketable securities cluding borrowing by British Government) declined for the second consecutive year to £967.2m, representing a decrease of £35m on the previous year and the lowest annual total since 1974.

In December the amount raised was £106m, the highest monthly total since June and a significant increase on the £15.7m raised in November. The bulk of the month's total was accounted for by eight company issues amounting to £104m. A total of £101.5m of this

sum was by way of rights, with significant issues coming from Pilkington Brothers (£62.3m). Hammerson Property (£36.9m) and Wearwell (£2.1m). The remainder comprised three issues made by way of offers for sale, including two issues by water companies. Public hodies' share of the total was only £2m and comprised five local authority hond issues.

In contrast to the overall trend in the new issue market, the total raised by companies rose by £222.6m, or by one-third, over 1978. The £885.1m raised by companies in the year accounted for over 91 per cent of the total sum raised, com-pared with the 66 per cent share achieved by companies in 1978.
The number of companies making issues, however, fell by 16 to 121 resulting in a rise in the average size of issues from £4.8m to £7.3m.

Issues by way of rights were

the predominant method of fund-raising and represented

Highlights from the statement of the Chairman of J. A. Devenish & Company Limited, Mr. A. E. Ledger Hill, O.B.E., D.L., for the 52 weeks ended 28th September, 1979;

- (1978-26.3%).
- contribution from wine and spirits. Mineral sales 15% up. * Profit contribution from retailing through managed houses

Profit retained in the Company

Earnings per 25p Ordinary Share

Results at n glance 1979 Group Profit before Texation £1,532,072 Group Profit after Taxation £930,046 Available for Ordinary (after extraordinary items) £1,156,533 Total Ordinary Dividend £271.342

* Proposed final dividend of 21.0% makes year's total 29.5%

* Own brewed beer sales show overall increase. Substantial profit

considerably increased. 1978 £1,370,835 £774,089 £946,860 £241,908

£872,704

24.9p

£692,465

20.7p

the largest proportion for at least six years, accounting for £809.1m or 91 per cent of the

total. Companies making significant issues by way of rights apart from those already men-tioned included Grand Metro (£80.6m), Standard Chartered Bank (£78.6m), Rank Organisation (£64.7m), Thomas (£59.3m), MEPC and UDS Group Tilling MEPC (£37.6m) (£35.5m).

An analysis of the company total by business of horrower again shows the financial group dominating the year's activity, with a total of £242.6m, an increase of £22.9m on the previous year. The total included the Standard Chartered Bank's issue made at the time of its acquisition of Union Bancorp and a £25m convertible debt issue by Slough Estatea, the first major issue in this form for about three years. The capital goods group took

over from the miscellaneous manufacturing sector as the second largest fund-raising category with a total of £221.3m, more than double the total for 1978. The miscellaneous manufacturing group, nevertheless. increased its total by £14.6m to

Of the six new companies which came to the market during the year two. Mercantile House and Haynes. Publishing, raised "new money" simultaneously. All six floatations were oversubscribed.

More than 4 per cent of the total of all new money raised, double the proportion for 1978, was specifically earmarked for use overseas. The £44.4m raised for this purpose included a £30.2m rights issue made by Cement-Roadstone, of Ireland. Ordinary shares continued to

dominate company accounting for 89 per cent of the total sum raised, while preference share issues represented 3.9 per cent. There was a revival in fixed-interest debt issues after the exceptionally low level of activity in the previous year — the total raised advancing from £8.8m to £61.4m, or from 1.3 to 6.9 per cent. Convertible debt issues raised £26.8m, while all other forms of debt amounted to

Only £82.1m or 8 per cent of the year's total new money was attributable to public bodies. See Lex

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Sales to cust Trading profi Profit before Retained for in the business Earnings per share 7.8p

The Gmu f62.1m 28.4p 8.1p

steady dividend growth over the years rather than to reflect short-term earnings fluctuations. For the year to 30th September 1979 the level of recommended dividend has been calculated independently of that of the previous year to provide a satisfactory reward for shareholders while retaining sufficient to allow the generation of future earnings for a continuing real growth in dividends. The increase proposed reflects the ending of dividend restrictions. The Company has one of the strongest

The objective of the Board is to maintain

portfolios of leading brands in the beer, wines and spirits and soft drinks industry. Despite this we think it is vitally important for us to lead in developing new products and in launching new brands to satisfy consumer demands. In recent years the Company has become increasingly active in this field of

We have continued our established policy of investing our cash flow and in addition we have used some of our borrowing facilities towards capital expenditure of £111m. In the current year to 30th September 1980, we. intend to continue to expand in all areas of ... the business and to this end we have authorised capital expenditure of £136m.

The current year has started well and we have enjoyed a period of fair weather in the autumn which has helped sales. Costs. however, continue to rise and adjustment of our prices in the early part of 1980 will be inevitable. We are hopeful of further progress this year, in spite of the difficult economic

| ıp's 1979 r | esults in bi | rief | If you would like to receive a copy of the Bass 197 |
|--|--|---|--|
| omeis I laxalion leinvestment | 52 weeks 1979 £1,134.3m £124.9m £117.8m* | 53 weeks 1978 £1,014.4m £116.8m £105.5m | Annual Review, und-are not a shareholder, please complete this coupon and return it to: Mr. M. F. Quarania, The Secretary. Bass Ltd., 30 Portland Place, London Wi. Name |
| | 700 0 | | |

The dollar lost ground against Trading was still at a relatively most currencies yesterday, with low level after the New Year, the current uncertainty over with dealers suggesting that the events in Iran and Afghanistan dollar could possibly be stronger undermining confidence. The on favourable economic factors U.S. unit was also affected by but for the present unrest in the gold's sharp rise, and ceptral Middle East. banks probably gave support during the day. Against the D-nark it fell to DM 1.7130, barely above the day's low of DM 1.7110 and sharply weaker than Monday's close of DM 1.7250 Challent against the than Monday's close of DM 1.7250. Similarly against the Swiss franc it fell to SwFr 1.5770 from SwFr 1.5950 and finished lower in terms of the Japanese yen at Y238.40 against Y239.75. On Bank of England figures, its trade weighted index fell to 84.6

After a weaker start sterling rose against most currencies to finish at its best level. Fears over a prolonged strike by steel workers saw the pound fail from an opening level of \$2.2205-2.2220 an opening level of \$2,2205-2,220 to a low of \$2,2165-2,2175, but by noon it bod recovered to around \$2,2265, and touched a best level of \$2,2435 in the late afternoon, before closing at \$2,2415-2,2425, a rise of 2,2c from Monday. In later trading in New York sterling continued to improve maintaining a level of over \$2,2400.

The pound's recovery during the day was reflected in its trade weighted index, which showed on opening calculation of 69.8. This rose to 70.0 at noon and finished at 70.2, unchaoged from Monday.

FRANKFURT-The dollar fell to its second lowest fixing level of the its second lowest fixing level of the its sharply lower than Monday's level of DM1.7315. Fears over Russian troops in Afghanistan and a sharp rise in the gold price prompted the Bundesbank to buy \$24.5m at the fixing, and a further \$125m outside the fixing. DKr 11.9270.

EMS EUROPEAN CURRENCY UNIT RATES

-0.61 -0.25 +0.48 +0.13

40.3135 7.72413 2.48211 5.81136 2.73676

0.671402

MILAN—Unrest in the Middle East saw the dollar fall to a three-mooth low against the lira at yesterday's fixing to L801.20, compared with L804.05 on Monday. Against EMS currencies the lira was weaker overall with the D-mark rising to L467.35 from 465.25 and the Irisb punt at L1,729 from L1.727. The Dutch guilder was fractionally firmer at L424.05 against L424.0, while the French franc eased to L199.70 from L199.93.

PARIS-The French remained the most improved currency within the EMS, but lost a little ground overall. Against the D-Mark it was weaker, with the latter rising to FFr 2.3418 at the fixing from FFr 2.3370 on Monday, and the Belgian franc firmer at FFr 14.42 psr BFr 100 compared with FFr 14.3680 previously. Outside the EMS sterling fell to FFr 8.9475 from FFr 8.9825 and the dollar was weaker of FFr 4.0135 against FFrs 4.0200

COPENHAGEN—The Danish krone showed mixed changes against its EMS partners, but rose against the dollar and sterling. The D-Mark rose to DKr 3.1110 from DKr 3.0995 while the French franc slipped at the fixing to DRr 1.3307 from DKr 1.3365. The Belgian franc gained marginally to DKr 19.14 from DKr 19.13 per BFr 100 and the Dutch guilder was unchanged at DKr 2.8245. The dollar fell to DKr 5.3360 compared with DKr 5.3685 and sterling was lower at DKr 11.8770 against

| THE | POUND | SPOT | AND | FORWARD |
|-----|-------|------|-----|---------|
| : | | | | |
| | | | | |

| | Day's | | | % | Three | 一% |
|----------|---------------|---------------|----------------|---------|--------------------------------------|--------|
| Jas. 2 | Spread | Close | One month | p.a. | | p.o. |
| U.S. | 2.2165-2.2435 | 2.2415-2.2425 | 0.70-0.60c pm | 3.48 | 1,60-1.50 pm | 2.76 |
| Casada | 2.5530-2.6110 | 2,6080-2,6100 | 0.80-0.70c pm | 3.45 | 2.10-2.00 pm | |
| Nethind | 4.19-4.25 | 4.23 -4.20 - | 234-1340 pm | 4,95 | 6-5 pm | 5.19 |
| Belgium | 61.80-62.50 | 62,35-62,45 | 17-7c pm | | 40-30 pm | 2,24 |
| Denmark | 11.83-11.97 | 11.952-11.952 | 1-cre pm-2 dis | | 1-24 dis | -D.50 |
| freland | 1.0305-1.0380 | 1.0325-1.0335 | 0.07-0.17p die | | 0.21-0.31dis | -1.01 |
| W. Ger. | 3.80-3.85 | 3.837-3.847- | 31-21-pm | 8.96 | 81_7~ pm | 8.33 |
| Portugai | 110,40-111.30 | 110.95-111.15 | par-50e dis | | 20-120 dis | -2.52 |
| Spaio | 145.75-148.00 | 147,85-147,95 | 25-75c dis | | 85155 dis | -3.65 |
| Itsiy | 1780-1796 | 17931-17947- | 1life pm-1 dis | | 3-5 dis_ | -0.89 |
| | 10.88-11.03 | 11.01-11.02 | 5-3ore pm | | 12%-10% pm | 4.27 |
| France | 8.90-9.00 | 8.9812-8.9912 | 27s-17sc pm | | er-er bw | 2.78 |
| Sweden | 8.18-9.29 | 8.274-9.284 | 3-1ore pm | : 2.57 | 84-4½ pm | 2.48 |
| Japan | 526-536 | 5331-5341- | 4.55-4.15y pts | 9.77 | 71.60-11. 2 0pt | m 6.53 |
| Austria | 27.40-27.70 | 27.63-27.68 | 18-8gro pm | | 60-50 pm | 7.96 |
| Swizz. | 3.50-3.547 | 3.53-3.54 | 37,-27,c pm | . 11.45 | 10 ¹ -9 ¹ , թա | 11.31 |

Belgian rate to for convertible france. Financial franc 64.45-54.55 Str-month forward dollar 2.80-2.70c pm. 12-month 4.95-4.85c pm.

THE DOLLAR SPOT AND FORWARD

| Jan. 2 | Day's Speed | Close | One month | % p.e. | Three months | % p.a. |
|-------------------|----------------|---------------|-------------------|-----------|-----------------|-----------|
| ÚK† | 2.2165-2.2435 | 2.2415-2.2425 | 5.70-0.60c pm | | 1.60-1.50 pm | |
| Irelandt | 2.1510-2.7530 | 2.1510-2.1530 | 0,90-0.80c pm | | 2.05-1.95 pm | |
| Caseda | 1.1643-1.1662 | 1,1643-1,1646 | 0.07-0.03c pm | | 0,19-0.16 pm | |
| Nethind | 1.8890-1.8920 | 1.8910-1.8920 | 0.40-0.30c pm | | 1.30-1.20 pm | 2.64 |
| Belgium | 27.80 - 27.94 | 27.84-27.86 | 2-2c dis | -0.54 | 2 pm-par | 0.14 |
| Denmerk | 5.3250-5.3430 | S.3405-5.3430 | 1,00-1.50ore dis | -281 | .4.00-4.50dia | -3.18 |
| W. Ger. | 1.7110-1.7210 | 1.7125-1.7135 | 0.84-0.74 | 5.53 | 2.50-2.40 pm | 5.72 |
| | 49.52-49.70 | 49.52-49.62 | 15-25c dis | -4.84 | 45-75 dis | -4.84 |
| Portugal Spain | | -88.05-66.09 | 30-50c dis | -7.28 | 60-100 dis | -5.45 |
| | 801.00-803.50 | 801.10-801.40 | 21-42 ro dis | -3.05 | 7-9 dio | -3.99 |
| liely | | 4.9170-4.9180 | 0.70-0.20ore pm | | 2.50-2.00 pm | 1.83 |
| Norway | 4.9135-4.9180 | 4.0135-4.0165 | 0.15c pm-0.05 dis | | 0,70-0,30 pm | |
| France | 4.0100-4.0205 | 4.1415-4.1425 | par-0.20ore dis | -0.29 | 0.10pm-0.10d | is - |
| Sweden | 4.1320-4.1425 | 238.35-238.45 | 1.30-1.15y pm | | 3.50-3.35 | 5.75 |
| Jepan | 237.60-239.70 | | 3.75-1.75gro pm | 2.67 | 17.00-13.00pr | n 4.86 |
| Austrio | 12.33 - 12.354 | 12.344-12.354 | 1.12-1.02s pm | 2 1A | 3.82-3.52 pm | 9.05 |
| Switz. | 1.5706-1.5890 | 1.5785-1.5775 | | | | |

apply to the U.S. dollar and set to the individual currency.

| CURF | CURRENCY RATES | | | CURRENCY MOVEMENT | | |
|--------------|--|--|---|---|---|---|
| Dec. 28 | Bank rate | Special Drawing Rights | European Currency Unit | Jan , 8 | | |
| Sterling | 17 12 14 554 1012 11 6 912 15 54 8 | 0.501166 1.51830 1.54597 18.3258 36.8893 7.04081 2.27143 2.60609 6.39957 1060.24 316.128 6.51635 87.2042 | 0.546208 1.44286 1.69320 17.8698 40.35568 7.72146 2.48577 2.73783 5.80462 1150.05 345.637 7.11186 95.4091 | Sterling U.S. doller Canadian dollar Austrian schläisig Belgian franc Danish kronar Deutsche mark Swiss franc Guilder French franc Lira Yen Besed on trade we | 84.5 81.0 158.5 115.7 110.0 159.3 204.8 102.0 56.2 118.0 | -55.7 -8.5 -18.8 +24.0 +13.0 -1.8 +47.0 +83.4 +20.8 -5.1 -49.8 +17.1 |
| Swedish Kr., | 3 0 | 5.46658 | 6.98787 8.30136 | Weshington agrees | nent Dece | mber, 197 |

OTHER MARKETS

| Jas. 0 | £ | | | Note Rates |
|---|---|------------------------------|----------------------|--|
| ArgenUna Peso Australia Doller | 5594-3614 2 0096-2 0135 | | AustriaBelgium | 87.30-87.70 64.00-64,50 |
| Brazil Cruzeiro | | 41.85-42.35 | Des mark | 11.86-11.94 8,94-9.00 |
| Greek Drachma | 84.850-86.266 10,985; -10.985; | 37.87-38.08 4,9250-4,9280 | Germany | 1770-1838 |
| KuwaitDiear (KD) | 0.600-0.610 | 0,2726-0.2727 | Nethoriands | 4.2012-4.23 |
| Luxembourg Fro. Malaysia Dollar | 4.8510-4.8510 | 8.1775-2.1785 | Norway Portugal | 10.94-11.03 100-117 1451 ₂ -1541 ₂ |
| New Zealand Dir. Saudi Arab. Riyal. Siegapore Dellar. | 8.2580-2.2640 7.48-7.52 4.7275-4.7075 | 3,8690-8.8700 | Spain Switzerland | 5.5112-3.54 2.227-2.2345 |
| Sth. African Rand | 1.8570-1.8410 | 0.8258-0.8285 | Yugosiavia | |

Kate olven for Argentine is free rate.

EXCHANGE CROSS RATES

7.72336

2.48208 5.84700

1157,79

Changes are for ECU, therefore weak currency. Adjustment of

Krono ... D-Merk

| Jan, 8 | PoendStorling | U.S. Dollar | Doetschem's | Japan'se Yen | FrenchFrano | Swiss Franc | Dutch Guild'r | Italian Lire | Canada Dollar | Beiglan Franc |
|--------------------|---------------|-------------|-------------|--------------|-------------|-------------|---------------|--------------|---------------|---------------|
| Pound Storling | 0.446- | 2.842 | 5.840 | 534.0 | 8.090 | 8.535 | 4,240 | 1794. | 2,610 | 62.40 |
| U.S. Dollar | | 1. | 1.713 | 238.2 | 4.010 | 1.677 | 1,891 | 800,2 | 1,164 | 37.83 |
| Deutschemark | 0,260 | 0.584 | 7,191 | 138.1 | 2,341 | 0.821 | 1.104 | 467.2 | 0,680 | 18.25 |
| Japanese Yen 1,000 | 1.878 | 4,100 | | 1000, | 18,84 | 6.520 | 7.940 | 8360 | 4,887 | 116,9 |
| French Franc 10 | 1,112 | 2.494 | 4,271 | 694,0 | 10. | 3.952 | 4.716 | 1996. | 2,903 | 69.41 |
| Swiss Franc | 0,283 | 0,634 | 1.086 | 151.1 | 2,548 | 1. | 1.199 | 507.5 | 0.738 | 17.65 |
| Dutch Geilder | 0,236 | 0.580 | 0,906 | 125.9 | 2,120 | 0,854 | 1. | 428.1 | 0.815 | 14.72 |
| Italian Lira 1,000 | 0,557 | 1,250 | 2.140 | 297.7 | 5.011 | | 2,568 | 1000. | 1,456 | 34.78 |
| Canadian Dollar | 0,383 | 0.858 | 1.472 | 204,6 | 3.445 | 1.355 | 1,625 | 687,5 | 4,182 | · 25,91 |
| Belsian Franc 100 | 1,603 | 3.593 | 6.154 | 856.8 | 14.41 | 5.666 | 6.795 | 2875. | | 100, |

±1.53 ±1.64 ±1.125 ±1.3557 ±1.512 ±1.668 ±4.08

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 13.95-14.05 per cent; three months 13.95-14.05 per cent; three months 13.95-14.05 per cent; one year 13.00-13.10 per cent;

| Jan. 2 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | | West Germa Mark | French Franc | Italian Lira | Asian # | Japanese Yen |
|---|--|--|--|---|--|--|--|--|---|--|
| 'Short term 7 days' hotice Month three months six months one year | 16-15 4 1678-17 8 1578-17 8 1578-17 8 | 135; 14 13; 141; 13; 135; 14, 141; 14, 14; 12; 13 | 1212-1312 1212-1314 1336-1334 1336-1334 1234-1318 1214-1238 | 10 ¹² ·10 ³⁴ 10 ³² ·11 11 ¹⁸ ·11 ³⁸ 11 ³⁸ ·11 ⁶⁸ 11·11 ¹⁴ 10 ¹² ·10 ³⁸ | 13,-8 13,-2 45,-43, 512-56, 512-51, 53,-512 | 73g-71g 75g-734 81g-814 81g-874 814-874 814-874 | 1512-14 1414-1354 1534-14 1578-1418 1578-1418 1553-1378 | 13-17 1514-1734 1614-1834 1714-1834 1712-1810 1612-1712 | 14-14-18 13-3-15-12 14-14-1-1-1-1 14-14-14-5 12-78-15 | 412-718 618-744 7-71: 818-819 876-816 7-5-811 |

Long-term Eurodollar two years 117-12% per cent; three years 113-12 per cent; foer years 113-12. per cent; five years 117-11% per cent; nominal closing rates are call for sterling. U.S. dollars and Canedian dollars; two-day call for guilders and Swass francs. Asian rates are closing rates in Singaporo.

INTERNATIONAL MONEY MARKET

German rates fall

Call money fell sharply in Frankfurt yesterday, following a general easing of conditions, and was quoted at \$10-\$S.30 per cent compared with 10-12 per cent on Monday. Book squaring at the end of the year led per yed general for day-to-day to beavy demand for day-to-day money during the last few days of 1979. With the beginning of the new year term rates have also declined, particularly in the also declined, particularly is the shorter periods. One-month money fell to 8.30-8.50 per cent from 9.60-9.50 per cent; three-month to 8.50-8.70 per cent from 9.25-9.40 per cent; six-month to 8.40-8.60 per cent; and 12-month to 8.30-8.50 per cent from 8.40-8.60 per cent. There will be no press cent. There will be no press conference following today's Bundesbank council meeting—the first to be presided over by Herr Karl Otto Poebl as president of the central bank—normally a reliable indication that credit and monatury policy will be unand monstary policy will be up-

PARIS—Call money remained of the trace of th rates were firmer than the latter part of last wek, with one-month funds rising to 12½.12½ per cent from 12½-12½ per cent; three-month to 12½-12½ per cent from 12½-12½ per cent; six-month to 12½-12½ per cent; and 12-month to 12½-12½ per cent from 12½-12½ per cent manual france (commercial) were generally firmer, with one-month rising to 14½-14½ per cent

MONEY RATES NEW YORK FRANCE

Record rise

dop builtion market yesterday to finish at a record \$566-569, a rise of \$41 an ounce or nearly 8 per ably by the sharp rise in gold cent since Monday. The closing level was also the highest seen in London, but in New York the spot equivalent was quoted bigher still at \$569-571. Gold opened in London at \$554-558, and the circums of the company of the company of the company of the company of the circums of AMSTERDAM - Call modey was quoted at 104-11 per cept compared with 104-114 per cent, while term rates were easier. One-month money fell to 11:-12 and the strong demand was sharp rise. Normal tradi-prompted by further unrest in expected to resume today.

Gold recorded its biggest one the Middle East. Rumours of day movement ever in the Lon- suspension in dealings of gold ing, with troding suspended oround mid-day because of gold's sharp rise. Normal trading is

| t | Obe-month modey fell to 111-12 per cent from 121-13 per cent; three-month to 12-121 per cent | prompted by further un | rest in expe | rise. Nor | mai trading ine today. |
|---------------------------------------|---|------------------------|---|--|--|
| 3 | from 121-13 per cent; and six- month to 111-111 per cent from | Ja | пиагу 2 | · De | cember 28 |
|) | 112-12 per cent. | Go | ld Bullian (fine o | nucel | |
| · · · · · · · · · · · · · · · · · · · | SINGAPORE—Overseas Union Book yesterday became the last of the hig four Singapore bosed banks to raise its prime rate during the current round. It joins The Development Book of Singapore and United Overseas Bank on 9½ per cent, an increase of ½ per ceot. Overseas Chinese Banking Corporation recently increased its prime arte to 9 per cent, to maintain the traditionel ½ per cept differential with the | Close | (£3521 ₀ -254) (£2471 ₉ -2481 ₂) (£251, 103) (£251, 103) (£358.410) Gold Coins (£252-255) (£261-254) (£66-87) (£58-71) (£68-71) | \$525-588 \$525-588 \$524-00 \$546-548 \$540-545 \$135-137 \$147-150 \$147-150 \$147-150 \$155-520 \$553-665 \$310-513 \$600-810 | £236-237121 (£2364-237141 £235,1891 £235,1891 £244-2471 £244-2451 £261-621 (£56-67121 (£56-57121 (\$57,200-2051 |

UK MONEY MARKET

Adequate credit

Bank of England Minimum
Lending Rate 17 per cent
(sluce November 15, 1979)
Day-to-day credit was in good
supply in the London money
market yesterday, and the
suthorities did not intervepe.
Banks brought forward large
surplus balances, Government
disbursements were slightly in

fall in the note circulation. On the other hand there was a small net take up of Treasury bills to finance and repayment was made of the small amount lept to the market on Monday. Discount houses paid 151-161 per cent for secured call loans in the early part, and closing balances were taken at 12-15 per

ments were slightly in excess of revenue payments to cent.

the Exchequer, and the market Rates in the table bewas also helped by a moderate nominal in some cases. Rates in the table below are

LONDON MONEY RATES

| Jani 2 /1960 | Sterling Certificate of deposit | | Local Authority deposits | Local Auth- negotiable bends | House | Compasy | Discount market deposits | Treasury | Eligible Bank Bille 4 | Fine Trade Bilks ¢ |
|-----------------|---|--|---|--|---|---------|--|----------|--|----------------------------|
| Overnight | 17 157a 17 157a 17 157a 17 167a 151a 161a 155a 161a 161a-15 | 151 ₈ ·152 ₄ | 17-1714 1714-1712 17-1718 1672-17 1632-1652 1552-1534 1612-1558 | 1814-18 1712-17 1714-1654 1614-1615 1814-1513 1814-1514 | 17% 17% 17% 17% 17% 17% 17% 17% 17% 17% | 173g | 18 15 14 16 14 - 15 19 16 14 - 15 19 16 14 - 15 19 16 14 | | 17 - 17 14 16 12 - 17 16 14 15 15 - 1 | 1714 1718 17 1514 |

Local authorities and figence hooses seven days' notice others seven days fixed. "Long-term local outhority mortgage rates nominely three years 157,-157, per cent. 9 Senk bill rates in table are heaving rates for prime paper. Buying rates for four-month bank bills 167,-167, per cent; four-month trade hills

table are heying rates for prime paper. Duying same for lower-bound same and the paper cont.

16% per cent.

Approximate selling rates for one-month Treasury bills 15% per cent; two-month 15% per cent. The paper cent. Approximate rates for one-month bills 17-17% per cent. Two-month 16% per cent. 16% per cent.

REPUBLIC OF FINLAND

DM 150000000 8 % Bearer Bonds 1979/1986

-Stock Index No. 465819 --

Offering Price: 100 %

ALGENIENE BANK NEDERLAND N.V.

KANSALLIS-OSAKE-PANKKI

UNION BANK OF FINLAND LTD.

AL SAUTH BANGLE FICAN EXPRESS BANK A E MES 4 CO.

ANDTERDAM-HOTTERDAM BASK N.Y. BACKE HALSEY STUART SHEEDS MANCA NAZIONALE DEL LAVORO BANK OF AMERICA INTERN BANK FÜR GEMENWERTSCHAFT

K GUTZMILLER, KURZ, MUNGEKER (CHENSEAS) LIMITED MANK OF HELSING LIMITED BANK MEES & HOPE NV E BANK OF TOKYO (HOLLAND) N.V. KIERS TRUST INTERNATIONAL PANOUE ARABE ET INTERNATIONALI D'RIVESTISSEMENT (BALL) BANK BRUSSEL LAMBERT M.Y. BANGUE FRANÇAISE DU COMMERCE EXTÉRIES

NOVE GENERALE DU LUXEMBOURG S.A. BANQUE DE L'INDOCHME ET DE SUEZ

BANCHE WATIONALE DE PARIS RANDIE DE PARIS ET DES PAYS-BAS BANONE POPULAIRE SUISSE S.A. LUDEMBOURG DANCKE DE L'INKON EUROPÉRINE BARCLAYS BANK BITERNATIONAL BARING BROTHERS 4 CO.,

RAVERISCHE HYPOTHEIGH- 1980 EAYERISCHE LANDESBANK BEHLINER BANK REPLINER HANDELS-UND FRANKFURTER BANK

NICHAUS GEBRÜDER BETHINAN CAISSE DES DÉPÔTS ET CONSIGNATIONS CENTRALE RABORANIC CHASE MANHATTAN CHRISTIANIA BANK OG IGEDUKASSE CITICORP INTERNATIONAL GROUP COMMERCEBANG WENT THE SELECTION OF THE

PEDIT INDUSTRIEL ET COMMERCIAL

CHEDIT SUBSE PRET BOSTON HERTANISTALT-BANKY CREDITO ITALIANO FECHAND DAVIS 4 CO.

DEN DANSKE BANK DEN NORSKE CREEKTBANK DELTSCHE GEROZENTRALE DELTSCHE KONNUNALBAN

DELTISCHE LÄNDERBANK DG BANK DREXES, BURNHAM LAMBERT

ROBERT FLERRY & CO.

ENTRALE UND BANK RECHISCHEN SPARK ROLDHAM BACKS INTERNATIONAL CORP HAMBROS, BANK URGISCHE LAND

GEORG HAUCK & SONIE

HESISCHE LANDESBANG E. R. HUTTON & CO. M.V. ANK VON JAPAN (DEUTSCHLAND) ISTITUTO BANCARIO SAN PADLO DI TORINO KODER, PEABODY INTERNATIONAL KLENWORT, BENSON

KREDIETBANK S.A. LUKEMBOU KUHN LORS LEDBLAN BROTIGES INTERNATIONAL KOWAIT FOREIGN TRADING CONTRACTING THEIT CO. (SAK) RUWATT INTERNATIONAL INVESTMENT CO. UWAIT INVESTMENT COMPANY (SAK) BANKHAUS HERMANN LAMPE LANCESHANK RHENLAND-PEALZ

LANDESRANK SCHLESWIG-HOLSTEN GEROZENTRALE LAZARD BROTHERS & CO., LAZARD FRERES & CO.

MANUFACTURIES HANCVER YOUNG WER INTERNATIONAL PROPE TYPECH INTERNATIONAL & CO. B. METZLER SEEL SOMN & CO.

15

MORGAN GROWELL' & CO. LINGSTEINGEONS VERMATE WASHINGTONELL NATIONAL BANK OF ABU PHABI KO SECURITIES CO., (EUROPE) L'ID. NOMBRA EUROPE N.V.

DEUTSCHE LANDESEA

DETERRECHISCHE LÄNDERBANK SAL OPPENHEN JR & CIE.

ORDON BANK DRIVATRANSER AKTHESELSKAR RIYAD BANK LIMITED

M. M. ROTHSCHILD & SOMS THE HOYAL BANK OF CANADA (LONDON) WICH ARABIAN INVESTMENT COMPANY INC. SCANDINAVIAN BANK LIMITED

4. HENRY SCHRODER WASG & CO. SCHRÖDER, MÜNCHMEYER, HENGST & CO. SKANDOVAVISKA ENSKILDA BANKSK SINTH BARREY, HARRIS SPHAM & CO.

SOCIETÉ GÉNÉRALE MERALE ALSACIENNE DE BANGHE SOCIETE GE SOCIÉTÉ GÉRÈRALE DE BANQUE S.A. SOCIÈTÉ SÉCUANAISE DE BANGIJE STRAUSS, TURNBULL & CO. MALITORIO HINANCE INTERNATIONAL

SAN HING KAI INTERNATIONAL SVENSKA HANDELSBANKEN SHASS BANK CORPORATION (OVERSI TRUCKALIS & BURKHARDT

UNION DE BANQUES ARABES ET FRANÇAISES — U.B.A.F. MAND SCHWEIZERSCHER KANTONALBANKEN MENERIE- TWO MERLEVIK J. VONTOBEL & CO. S. G. WARBURG & CO. LTD.

WESTDELITSCHE LANDESRANK GIROZENTRALE WESTFALENBANK WOOD GUNDY

CHANGE OF NAME

Bank of Tokyo and Detroit (International) Limited

16 Finsbury Circus, London EC2M 7DJ Telephone: 01-628 3000 Telex: London 883254

as from 1st January, 1980 will be known as

Bank of Tokyo International Limited

(new telegraphic address: BOTINT LONDON EC2)

Shareholders The Bank of Tokyo, Ltd. California First Bank National Bank of Detroit (Respective holdings remain unchanged)

Zurich

is pleased to announce the appointment of

MR. DAVID D. HAUN

Senior Vice President responsible for the Bank's activities with **ENERGY AND RELATED INDUSTRIES**



Mr. Haun will be located at 2405 Shell Centre, Calgary, Alberta Canada, T2P OJ4 - (403) 205-6095 WEST GERMAN EQUITIES

A poor year for blue chips

WEST GERMANY'S stock ex- bave been down by about a the Commerzbank Index is just change analysts bave concluded fifth on 1978's level. that 1979 was a year of unful heaviest declines have been filled promises. The funda- among the country's 16 "blue mentals were good. For in chips, improved enough, there has been less of steadily on a broad front over a drop in the turnover of the business the 12 months, but the market

failed to share in the recovery. The Commerzbank Index-West Germany's oldest (1953= 100)—started the year at 817, well up on year-end 1977 when it stood at 787.6. However, by the close of 1979 it had sunk to

Admittedly, this figure is plumbed on November 7 when spirit of adventure. the index fell to 705. This was in three years.

But even so, the year's steady downward course has wiped an average 12.4 per cent off the value of West German equities. despite the fact that average industrial profits have shown a very strong improvement.

Analysts blame the poor performance of the market squarely on the restrictive monetary policy pursued by the Bundesbank, the Federal Republic's central bank, during 1979. One bank economist said recently: "The Bundesbank's tight mooey policy has beld down sbare prices and depressed the bond market. There is nothing else to blame

although, strangely foreign sbares quoted on the country's eight bourses

Another unusual feature of the year's performance is that the market has been underpinned by the private investor, normally a cautious soul. The institutional investors, who dominate stock exchange activity, have been far more hestant, while the private indiviabove the year's low, which was dual has shown an unexpected

This tends to confirm the the lowest level for the index theory that the Bundesbank is to blame for the market's woes The institutions usually react far faster than private investors. This year, however, the faster industrial growth has been, the faster share prices bave fallena clear sign that the institutions

have been strapped for cash. The bood market, which has remained depressed for much of the year, adds further confirmation of the theory despite its recent recovery. The Bundesbank's policies, say the analysts. have left the institutions so ahort of money that they have been forced to restrict their activities severely.

The result of all this is that Stock Exchange turnover The average price of the 60 than 1978'a average of 2.5 per during the year is estimated to leading shares which make up cent.

10 times earnings. This compares with an average price in 1978 of 13 times earnings. As far as the blue chips are that the abysmal profit record is per cent was wiped off the concerned, the price advantage not just a factor of the business

Tight money policy by the Bundesbank is being blamed for the 12.4 per cent decline in West German shares but private investors have shown more optimism than the institutions

rently fetching about nine times

earnings. This itself provided the impetus for a short-lived recovery in the market at the mid-point of the year. But, although on a price-earnings basis shares have for some time looked better than the yields obtainable on long-term bonds, prospects of improved earnings bave been swiftly discounted by the cashstrapped institutions.

Another reason for the lack of interest has been a growing feeling that there are serious problems structural German corporate profits. Dur-German sbares are now looking ing 1979, profits on turnover

front looks even worse when incomes brought about by inflation is taken into account, sharply increased energy costs. is even greater. They are cur- cycle, but a symptom of a much sumer goods and allied products more serious ailment.

> A review of the individual industrial sectors shows very few gainers and a whole bost of losers. The only real winner bas been the insurance sector, where share prices by the end of November had shown an average increase of 7.1 per cent.

In contrast, major price declines have taken place on a broad front. Motor manufacturers, engineering groups, con-struction groups, department stores, banks, iron and steel makers and consumer goods manufactures and their sunpliers have all seen hefty falls in their sbare prices.

Hardest bit during the course of the year has been the iron and steel industry, where the average share price decline has been something over 28 per cent since end-1978.

industry declined over the year by 22.3 per cent. Prospects of good profits, as in the past three years, have already been discounted as the industry moves out of a boom which has lasted for more than four years.

Sbares in department stores cheap, occording to the analysts. have been very low - not more bave fallen by 22.3 per cent, reflecting fears that profits will be hit hard by the decline in

Performance on the profit West German real disposable This has led to deep suspicions For much the same reason, 18.5 shares of companies in the con-

> The construction industry has seen its average share price fall by 19.4 per cent, despite the fact that order books are at a very high level. Although analysts have been taken somewhat by surprise by this in view of the domestic upturn, the spectacular collapse of Betonund Monierbau has brought home to many people the fact that foreign business carries considerable risks. Further-more, there are lears that domestic demand will flatten out in 1980.

The 14.9 per cent decline in bank shares bas also surprised analysts. But the banks' interest margins have been under pres sure for much of the year, while bond portfolios will also require substantial depreciation pro-

The outlook for this year is rather less gloomy, say the analysts. Much has been discounted in 1979, and provided that things do not wersen on the energy front, the trend should be npwards. All in all; bowever, the predictions look rather like last year's. They may well be right, but they engender something of a sense of deja-vu.

Closure plans dropped by U.S._Steel_

By Ian Hargreaves in New York U.S. STEEL has withdrawn its plan to close two steel fabricatng plants fololwing a vote by employees to accept a three-year wage package outside the frame work of the normal steel industry bargaining structure,

The workers' decising reverses an earlier vote to resist the company's move to drive a wedge between fabrication and basic which led the company to announce last month that two fabrication works at Ambridge and Schiffler, Pennsylvania and would be shut down. The closures would have been

part of a string of economies being made at more than a dozen U.S. steel plants. The financial consequences of this write off, expected to be in excess of \$500m, should be declared later this month.

U.S. Steel has already said that the move will mean the loss of 13,000 jobs and a financial loss for the year just completed

Under the terms of its agreement with fabrication workers, U.S. Steel has agreed to fulfill U.S. Steel has agreed to fulfill cost of living payments already part of employees' contracts for the next three years and to allow fabrication men to benefit from some of the fringe provisions of a new basic steel contract due for negotiation in the next four months.

Firm undertone in Eurobond markets

By Nicholas Colchester

THE MAJOR sectors of the international bond market started the year very quietly. Switzerland remained closed and there was no clear trend in the DiMark or dollar bond

prices.

Dealsrs in London felt that the underlying tone in the dol-lar bond market appeared lar bond market appeared positive but said that there was too little trading for solid signs of this to emerge. On tha one band the geld price was soaring and the price of bonds in New York slipping. On tha other, eurodollar interest rates were markedly easier, another major U.S. hank, Bankers Trust, joined the move down to a 15 cent prime rate, and the U.S. index of economic indicators had provided further evidence of a slowing in tha U.S. economy. The 3-month euro-dollar rate closed 14 down from 143/16

on Monday.

Prices in the D-Mark sector were np in very light trading but the sentiment in the market. Prices in the D-Mark sector were np in very light trading but the sentiment in the market was said to be depressed by news of an unexpected bond issue for the Bundeshalm which is to raise in excess of DM 500 tomorrow. There are three bonds for foreign borrowers mader preparation. Indicated terms were announced yesterday for an issue from Banque Francaise du Commerce Exterieur; the bond will be in two halves, each of DM 100m. A seven-year bullet tranche will carry a coupon of 7½ per cent. A 15-year tranche with an average life of 11½ years will carry a coupon of 7½ per cent. Dresdner Bank is the lead manager.

In addition, Commerzbank is organising a DM 150m private placement for Ireland with indicated terms due tomorrow, and Deutsche Bank a DM 200m issue for Norway issue should be

for Norway. Details of the Norway issue should be announced some time next week.

WELLS FARGO

Last summer Mr. Richard

Cooley, the 56-year-old chairman

and chief executive of Wells

Fargo, moved his office from

San Francisco to Loa Angeles.

competitors, Bank of America

· But there is a difference. At

Bank of America, Mr. Cheuncey

Medberry, the chairman, has

for years operated out of a Los

Angeles office. But at his bank the chairman is the number

rests with Mr. A. W. Clausen,

president and chief-executive,

at global headquarters in San

Crocker National, also an

old-time California bank but

which has also had high-

executive. The power

and Crocker Bank.

Chasing the money down south-125 years on



Richard Cooley: Into the southern trenches.

between offices in the two

The shift is in line with north-south management structures at Wells San Francisco-based significance Cooley's move is that it puts Wells Fargo's top man in the trenches to direct the attack on southern California, where share . bank's market amounts to only about 4 per cent, compared with roughly 25 per cent of the banking business in northern California. Wells hopes to expand the southern state ahare to 11 or James Dobey, who retired in June as the bank's chairman but who continues as a

The bank has operated in the southern balf of the state only powered eastern management at the controls over the past five years, has similarly set out in the past 12 years, effecting its penetrotion through the acquisition of a small local bank. aggressively to mine the lucrative southern California market.

"We were about 125 years Mr. Thomas Wilcox, the chair- late into southern California," 109 branches in man, evenly splits his time says Mr. Dobey, "mainly because part of the State.

efforts to expand south were blocked by U.S. Justice Department regulations."

As Wells Fargo has striven to expand its California business the pace of its international operations has slowed Although the bank intends to remain a major international lender, its overseas loan volume over the past year has not grown as rapidly as its. domestic volume. The foreign loan volume has been beld down by what Wells calls the "intense competition" among financial institutions overseas ond the less favourable spreads and terms symilable from international loans.

Despite the international slowdown, Wells maintained a strong presence in overseas markets in 1978, with overage loans and acceptances of the international hanking group increasing by 12.8 per cent tn \$2.9bn. A representative office was

opened in Santiago, Chile, last year bringing Wells Fargo's total representative offices to 17. and there were plans to open an office this year in Argentina.

International occounts for 18 per cent to 20 per cent of the company's assets and 15 per cent to 16 per cent of its profits, but the return on assets is still lower than for the rest of the company.

Wells Fargo recently filed a U.S. District Court suit for \$18.2m in impounded Iranian 12 per cent, according to Mr. funds to repay loans and guarantees mode over the past several years, a legal formality putting the bank on record as claimants against the funds frozen by President Carter.

Wells Fargo's assets at the end of the third quarter topped \$20bn for the first time. The bank opened its 373rd branch office in California and now has 109 branches in the southern

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published

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NN forecasts another rise in profit By Our Amsterdam

THE DUTCH Insurance group, Nationale-Nederlanden (NN), expects its 1979 net profit per sbare to be at least 10 per cent higher than in 1978. Total revenues rose by 17 per cent to about Fl 6.8bn (\$3.6bn), it announced yesterday. Profit per 10 nominal share was 18.09 in 1978-an increase of 10 per cent. The revenue in-

crease in 1978 was nine per cent.
Excluding the U.S. insurance company, Life of Georgia (LOG), which was acquired in June, NN revenue rose 10 per cent last year. International activities accounted for 40 per rent of total revenues.

RSV to close lossmaking unit

BY CHARLES BATCHELOR IN AMSTERDAM

THE TROUBLED Dutch ship-Verolme (RSV) is to shut itsheavy components subsidiary Zware Apparatenbouw. RSV said yesterday that it sees no prospects for the company, which was originally formad to build beavy equipment for nuclear power stations. Whenthe Dutch Government decided to delay its nuclear power programme, the company concentrated on equipment for the petrochemical industry where demand is also depressed.

Apparatenbouw will complete the orders it already has, and will finally close in 1981. The workforce of 290 will be transferred to other parts of the RSV group.

The closure will lead to o Nnclear, suffered from the rite-off by the Dutch Govern- worldwide slowdown in the building group Rijn-Schelde write-off by the Dutch Govern- worldwide slowdown in the Verolme (RSV) is to shut its ment of at least F130m (\$16m), development of nuclear energy The Government took a 50 per cent stake in Apparatenbouw in 1976 for Fl 1m, and provided sbare for a nominal FI 1.

Apparatenbouw is part of RSV's loss-making industrial equipment division. It bad already reduced capacity after a difficult year in 1978. Industrial equipment accounted for Fi 16.6m of RSV's total operating loss of Fl 77.8m in 1978. The division contributed Fl 230m to group sales of Fl 2.84bn (\$1.56n).

and from the Dutch Government's energy and foreign The last government policies. FI 29m in loans. RSV now pro- delayed a decision on three poses buying back the state 1,000 MW nuclear power stations, while the present Government's programme is expected to be held up for at least another three years. The company also lost an order for nuclear equipment from Sonth Africa to a French company.

RSV is at present carrying out a far-reaching reorganisation programme aimed at ending several years of losses. It has already cut back its large ship-building and offsbore activities. and is streamlining its manage

Apparatenbouw, which was and is streamlin originally known as Rotterdem ment structure.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



HIDROELÉCTRICA DE CATALUÑA, S.A.

U.S. \$60,000,000 MEDIUM TERM CREDIT FACILITY

CHASE MERCHANT BANKING GROUP BANCO DI ROMA BANCO URQUIJO HISPANO AMERICANO LIMITED **BANKAMERICA INTERNATIONAL GROUP**

CONTINENTAL ILLINOIS LIMITED MIDLAND BANK LIMITED SOCIETE GENERALE DE BANQUE S.A.

BANCO DE SABADELL, S.A. THE BANK OF YOKOHAMA LIMITED EUROPEAN ARAB BANK THE TOKAI BANK, LIMITED

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BANCO OI ROMA INTERNATIONALS.A. BANGUE OF COMMERCE, S.A. BANCO DROUIJO HISPANO AMERICANO LIMITED EUROPEAN ARAB BANK AUSTRAUA AND NEW ZEALANO BANKING GROUP LIMITED BANGUE COMMERCIALE POUR L'EUROPE DU NORD (EUROBANK)

THE CHASE MANHATTAN BANK, N.A.

DECEMBER 1979

INTL. COMPANIES & FINANCE

Nampak in cash offer for control of Premier Paper

BY JIM JONES IN JOHANNESBURG

TOLLOWING BETTER than ex- R2.07m cash payable in South portant capital profit. On the pected results for the year to Africa. enoseptember 1979, Nampak, Rand, plans to further increase

Nampak plans to acquire majority control of the paper tissue manufacturer and distributor Premier Paper, provided that Premier completes the already agreed sale of its 19 per cent investment in Hunyani Pulp and Paper Industries to its 60 per cent controlling parent

Once that arrangement is the 55 per cent owned paper and packaging subsidiary of Barlow 700 cents per share cash for 51 per cent of Premier's ordinary shares, and 196 cents cash for its penetration of the highly shares, and 196 cents cash for competitive. South African 51 per cent of Premier's 11.3 paper products market. per cent convertible cumulative preference sbares. That is equivalent to a R72m price tag for 51 per cent of the R25m turnover Premier Paper,

From African Finance Cor-poration's point of view, the purchase of Premier's 19 per cent interest in Hunyani at an effective price of 44 cents could African Finance Corporation for eventually result in an im-

Saliabury stock exchange. Hur-yani shares are currently quoted at 162 Rhodesian cents, e-

lent to 198 cents in South African currency. To pre-empt any objections to the sale by Premier shareholders, African Finance is to offer Hunyani shares from its own holdings to Premier shareholders at the 44 cents it will pay Premier.

African Finance has agreed to sell 51 per cent of its investment in Premier to Nampak and has additional shares to top up Nampak's eventual stake to 51 per cent should some minorities reject the offer.

Israel Discount Bank rights

BY & DANIEL IN TEL AVIV

pectus to the securities of the Bank, authority covering a rights issue, an issue to the public of 575,000 units, of similar compand at first to its employees, designed to raise If650m shareholders. Prices will be (\$18.37m). The rights issue announced when the prospectus will be in the form of \$89,995 is published. Most of the prounits, each comprising four B' ceeds of the issue are to be used abares of 1520 nominal velne to increase the capital of the and one 'series 7' option, bank entitling the holder to acquire

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/ICE

ISRAEL DISCOUNT BANK apply to holders of not only all Bankholding Corporation types of shares, but also of (IDER), which owns 93 per capital notes and of options of control of the Israel Discount 'series 4.5 and 6' and of 5 per Bank, has submitted a pros-cent, 'series AA' capital notes

The bank itself intends to one ordinary share of 1£20 make a rights issue to holders nominal value. The offer is to of ordinary 'A' shares of 1£10

nominal value in the proportion of one for every five ordinary or ordinary 'A' shares beld. IDBH's balance-sheet total at June 30, 1979, was 1£171.7bn, compared with 1£119.8bn on December 31, 1978—a growth of 86.6 per cent. Its net profit in the u.s. six months of 1373 came to I£355m, against I£297m in the same period of 1978. Net profit per ordinary share in the halfyear to June, 1979, came to IES.89 against IE5.34 in the first

half of 1978. Once IDBH's new issue has been placed, its capital base will reach Iffbn.

Cathay Organisation stake for Malaysia

MY WONG SULONG IN KUALA LUMPUR

Berhad, the investment arm of Cathay. of the biggest film distributors mainly cinema operators in Organisation sold out its entire

Malaysia. 24 per cent interest as Permodalan. Nasional paid Malaysian operations. The film and cinema

PERMODALAN NASIONAL second biggest sharebolder in dominated by Brothers and Cathay Organisathe government sponsored a The move by Permodalan tion—both Chinese cantrolled Bumiputra Investment Founda. Nasional was in line with the groups—and the purchase by tion, has bought 30 per cent of government's new economic Permodalan Nasional now gives Cathay Organisation (M), one-policy and was made possible Malaysians a bigger voice in because the Rank the industry.

Catbay Organisation (M), which has 11 subsidiarles in 24 per cent interest in Cathay's Permodalan Nasional paid Malaysian operations.

Malaysia recorded sales of 30m 11.6m ringgit (\$5.3m) for the The film and cinema industry ringgit last year and pre-tax 5.28m sbares, making it the in Malaysia has long been profits of 7m ringgit.

SWISS CANTONAL BANKS

The locals go universal

SWITZERLAND'S 29 cantonal another a public foundation. band Schweizerischer Kantonal nised block within Swiss bank-banken are having to diversity ing. The Basle-based Association

hanks are unfolding their wings. Most cantons have only one by 23 of the member banks and More and more their clients cantonal bank—but Berne. Vaud today having a moder volume are demanding from them full and General each have two, of Sw Fr 500m (\$375m). This service facilities outside the Some but of their federalist which small in research the service for their federalist. savings book operations. At the wholly freed from cantonal tax cantonal bank, should be doing same time, the nationwide hig liability but have to pay the more. banks are showing increasing canton a return on capital stock, interest in competing against. By the same token the canton a tentronal institutions for tour banks do not standardise domestic business. Like it or services, interest rates and the not, the membars of the Ver like to form a centrally organization of the Ver like to form a centrally organization.

Switzerlands cantonal banks feel that their main nant local call for speciduty is to serve the regional economy, but other business is expanding and the Association Verband Schweizerischer Kantonalbanken is considered a suitable instrument by which the banks can come

hard fight for market shares

their activities in the direction Verband Schweizerlscher Kantoregional econories in the direction nalbanken sees itself as a minimizer banking.

The cantonal banks have confederation and not as a sort it may have beginned always had an important place of "Big Bank," said its director, peripheral Neverthelest, such in Switzerland's financial structure. Dr. Urs Robde, at a presentation operations are definitely expensed on the confederation of the confederation operations. in Switzerland's financial structure. At the end of September, their combined assets were the members of the Verband SwFr 92.67bn (\$57.92bn), or over 28 per cent of the balance sheet total for the entire reporting banking system. Nearly SwFr 50bn (\$31.25bn) was accounted for by mortgage business, while the liabilities side of the balance shows about SwFr 52.7bn (\$32.93bn) or some SwFr 8300 per inhabitant some SwFr 8,300 per inhabitant -- In savings, deposit accounts and cash bonds.

Tha whole country is served by a network of 1,276 branches with a total staff of 11,700. The biggest of the cantonal institutions are among the major banks of the country in asset terms. The Zuerchar Kantonalbank, for example, has a balance sheet total surpassed only by the "Big Three" commercial banks, while-four others are each bigger than Bank Leu-the fifth of the

the character of a cantonal hank tends to differ considerably from

canton but four of them are ioint stock companies in which the canton holds only part of the capital, while one is in the necessary, by the difficult hands of the communes and office rate, is the export

Weekly net asset value

on December 28 1979

poach business outside their own ont by the syndicate.

reserve in the increasingly hard fight for market shares." have various common institutions of their own. The oldest of these is the Issue Syndicate, formed in 1907 for public bond issnes. Last yaar, this body participated in almost 100 domestic and foreign issues with a total value of over SwFr 5bn (\$3.12bn), some twofifths of this volume being placed by the member banks with their clients.

in about the same number of advice of the Verband, the Jura

place to place. Most of them are set up the mortgage bond the Canton, it is intended to backed by a full liability centre, the so-called Pfandbrief- offer 49 per cent of the capital zentrale, for the capital market to the public. The "societe guarantee of the cantonal zentrale, for the capital market government—but this does not issue of such paper. The proapply for four of the western ceeds of the issues, which in among carters have a sign and that switch are "State banks," with SwFr 555m (\$346.87m) are of Zug are joint stock combined to the passed on to member banks who panies but the Jura move has apply for four of the western ceeds of the issues, which in among carters have a sign and that the same and that the same are sign as the same and the same are sign as the same are same as the same are sign as the same are same as the same are pledge part of their mortgage loans against them.

country. The newest departure, made

credit syndicate formed last year

The banks themselves, much as they realise their duty, to their own canton, have to j operate, profitably. Generally speaking they are simply not in a position to grant more other banks-despite all indicwhere excessive solidarity wins the substantial losses of the tiny Nidwaldner Kantonalbank. resulting from over-benevolen: out of their federalist reserve in the increasingly support for local loss-making

> Cantonal banks " that " main duty ... n. rura. the other business, as news-recit

panding. One future eddition to tha banks activities will begin early in the New Year, when a first notes issue will be carried

In general, actual foreign exposure - currently equal to only 3 per cent of cantonal banks' assets and 21 per cent of their lie bilities—will stay small. not least in view of ceilings laid Already the cantenal banks down for engagements of this kind by some banks and cantonal governments. The Zurich cantonal bank and that of Berne work to what seems to be a fairly typical 5 per cert maximum balance sheet share.

As far as the corporate form of the banks is concerned, the formation of the Banque Cantonale du Jura following the recent secession of this region from Berne has led to The syndicate also took part, not a little rethinking. On the Switzerland being Switzerland, private placements and foreign-Government set up the bank as the character of a cantonal hank currency loans in 1978.

In 1931, the cantonal banks the shares are initially held held here. anonyme" is not unknown

> Thus, the Government of Canton Grisons has approved in principle the issue of participation certificates - (non-voting shares) a move "lready undertaken by one of the Genevalinstitutes. The Kantinalbank von Bern is considering the issue of such certificates and a number of others. Among them the Aargausche is also looking at the whole question of capital ownership the semi-canton of Nidwalden, the Liberal Party

TONGKAH HARBOUR TIN DREDGING BERHAD

Announcement to Shareholders

By a circular dated 7th December 1979 shareholders were advised of proposals for the reconstruction of the company and that a special resolution to approve these proposals would be considered at an Extraordinary General Meeting on 31st December 1979;

In accordance with the general-Scheme for Reconstruction the company entered into an agreement on With December 1979 with Tongkah Harbour Limited (THL) for the sale of its mining assets, such sale to be conditional on the approval of shareholders at the aforesaid.

Extraordinary General Meeting. Arrangements were also made to sign an agreement with the Thai Government on the 2nd January 1980 for the reissue of the company's leases to THL.

On the 24th December 1979, a tentacive offer to purchase the company's mining assets was received from Associated Mines (Thailand) Limited (AML) with a request that the Extraordinary General Meeting be adjourned to enable shareholders to be advised of the position. This offer, although better in terms of That bahts, does not contain any assurance that the purchase price would be payable at an agreed exchange rate nor does it guarantee that the naw proposed Thai company would be able to obtain refisue of the company's leases in the same way as THL. Several other aspects have not been clarified, such as listing of the new company's shares, its management and mining scheme.

Having regard to the agreement concluded with THL and that about to be concluded with the Thai Government your directors after legal advice and in consultation with Bumiputra Merchant Bankers Berhad, the company's advisers in the Scheme of Reconstruction, coosidered that any adjournment of the Extra-ordinary General Meeting as proposed by AML would not be in the best interests of the company's shareholders bearing in mind that the negotiations leading up to the present agreement have been complex and lengthy and the very real possibility that any further delay could jeopardise reissue of the leases. It was felt that the new offer taken as a whole was not sufficiently attractive to justify the postponing for an indefinite period of the finalised and detailed proposals submitted at the Extraordinary General Meeting and therefore no adjournment of the meeting was sought. Shareholders at the meeting were briefed of 'AML's tentative offer and, as shareholders present did not seek an adjournment, the special resolution for the reconstruction of the company was duly submitted and passed.

Issued from the office of the United Kingdom Secretaries 40 Holborn Viaduct, Landon, ECIP 1A). 2nd January, 1980.

> VONTOBEL EUROBOND INDICES 14.5,74=100%

Arab Hotels Company

FF 175,000,000 Construction contract

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Kuwait Real Estate Investment Consortium

Sheraton Hotel Sana'a (Yemen Arab Republic)

Société Auxiliaire d'Entreprises (SAE)

Fixed Rate French Export Credit FF 81,812,500

Floating Rate Euroloan US \$5000,000

Banque Arabe et Internationale. d'Investissement (B.A.I.I.)

Banque de l'Indochine

Provided by

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque de l'Indochine et de Suez

Banque de l'Union Européenne

Banque Française du Commerce Extérieur

Crédit Commercial de France

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

\$1,200,000,000



The Federative Republic of Brazil

Medium-term Euro-dollar loan

Lead Managers:

Algamena Bank Nederland N.V. Bank of Montreat

Amsterdam-Rotterdam Bank N.V.

Banco de la Nacion Argentina

Banco do Brasil S.A. The Bank of Tokyo, Ltd. Banque Nationate de Peris

The-Bank of Nova Scotia Group Canadian Imparial Bank of Commerce Chase Merchent Banking Group Chemical Bank International Group

IBJ Intarnational Limited

Midland Bank Limited

Crédit Lyonnais Lloyda Bank International Limited

Morgan Guaranty Trust Company of Naw York

European Brazillan Bank Ltd.-EUROBRAZ-

Tha Long-Tarm Credit Bank of Jepan, Limited

. Société Générale de Banque S.A.

Swiss Bank Corporation

Sociaté Générale

Wesidautscha Landesbank Girozantrela

Managers:

Banco di Roma Nadarlandsche Middenstandsbank NV

Banco do Eslado de São Paulo S.A.—BANESPA

Banco Industrial da Vanezuela, C.A. Toronto Dominion Intarnational Bank Limited

Co-Managers:

Baoco Cantral, S.A.

Westdautsche Landesbank Girozentrale

Midland Bank Trust Corporation (Jaraay) Limited

Euro-Latinamerican Bank Limited

Republic National Bank of New York/Trada Devalopment Bank

Funds Provided By:

Algamene Bank Nederland N.V.

Amstardam-Rottardam Bank N.V. Bank of Montreal : The Bank of Nova Scotia International Limited

Banco de la Nacion Argentine Banco do Brasit S.A. Banque Nationale de Paris Tha Bank of Tokyo, Ltd.

Canadian Imperial Bank of Commarce The Chase Manhattan Bank, N.A. Chemical Bank European Brazilian Bank Ltd.—EUROBRAZ-

Crédit Lyonnais

Société Générale Société Générala da Banque S.A.

Lloyda Bank International Limited Morgan Guaranty Trust Company of New York Swisz Bank Corporation (International) Limited

Midland Bank Limited Banco di Roma

Banco industrial da Venezuela, C.A.

The Fuji Bank, Limited The Industrial Bank of Japan, Limited The Long-Term Credit Bank of Japan, Limited Toronto Dominion Bank Naderlandsche Middenstandabank NV Banco do Estado da São Paulo S.A.-BANESPA

Euro-Latinamerican Bank Limited Banco del Estado de Chilla Banco Mercantil de São Paulo S.A. Banqua Worms Irving Trust Company
New York Agency Republic National Bank of New York

Saudi International Bank Al-Bank Al-Seudi Al-Alami Limited Taxas Commerce Bank National Association. Trade Development Bank Banco da Chile Banco Exterior da Espana Banco Itau S.A.

Bank fuer Arbait und Wirtschaft Aktiengesellschaft Banco Nacional S.A. (Brazil) ____ Bank of Baroda Banco Andino S.A. Banque Commarciale pour l'Europa du Nord (Eurobank). Union da Banques Arabes et Françaises---U.B.A.F. Banco Safra S.A. SafraBank

Agent:

Morgan Guaranty Trust Company of New York

This announcement appears as a matter of record only.

November 1979

Tokyo Pacific Holdings (Seaboard) N.V

Tokyo Pacific Holdings N.V.

Listed on the Amsterdam Stock Exchange

Information: Plarator Heldring & Plaraton HV Herengracht 214.

bas just tried-albeit without success to have the loss-riddeo cantonal bank there partially

| NEW YORK Stock 51 28 Stock | Rec. Oec. Rec. Dec Dec. C Stock 61 38 Stock 31 | Farly Wall St. | decline of 5.2 |
|---|--|--|--|
| AMF | Pet. 21 5 125 MGM 212 212 814 Schlumberger 951 8 kkosa 323 551 Metromedia 732 78 SCM 25 8 kanci 22 225 Militon Bradicy 314 30 Scott-Foresman 26 2 | big i | 25 Day 9 E0 |
| ARA | 92 2112 Missouri Pac 6118 5118 Scudder Oue V 1012 1 term. 1219 1778 Mobil 5514 5618 Sea Contra 1579 1 Modern Merchg. 1419 1334 Seabrd Coast L. 2219 Mohasen 91s 0 Seacram 90s 4 | HEIGHTENED Mid-East ten- at 1 pm. Volume 4.77 m share sions, together with a further (4.04m). advance in gold and silver prices. | cents to AS3.60. Hanersley S on the Domestic Bond market, cents to AS3.40 and Bouganville Public Authority loans lost up to 40 pfengs but showed some |
| | 85 845 Monarch M/1 22 25 Seate Power 269 2 26 26 27 27 27 27 27 | yesterday merning in active Geld and other Mining issue trading. shol further ahead on the soaring | The Asoton diamond venture gains extending 10, 20 prenigs, partners shot further ahead in The Bundesbank bought a front of the December quarter's nominal DM 500,000 of paper |
| Albany Inti 2859 29 Concoo 4714 4735 Harcourt Br Alberto-Culv 758 759 Conrac 1659 1678 Harrischfes Albertson's 3818 3834 Cons Edison 2418 3418 Harris Sanc | race 321e 62 Munaingwear 135e 135e Sedon | The Dow Jones Industrial metal prices, out Canadian Average receded 5.21 to \$33.53 markets otherwise showed to 1, 2t 1 pm, while the NYSE All downward tendency in heavy Common Index lost 43 cents to early dealings yesterday. The | progress report, expected on after sales of Dia Librarian lax January 10. CRA added 41 cents Fridey. Mark - denominated 21 ASS 36 Ashion Mining 19 cents Foreign Loans were steady. |
| Ales Standerd | 19 | Common index that 45 tents to call declines led gains by Turonto Composite Index ross an eight-to-five margin. Turnover 11.5 to 1.825.0 2t moon, reflecting the expanded to 25.35m shares, up a jump of 233.4 to 2.889.7 by the | 10 cents at AS3.30. Uraniums lagged behind unless The market remained buoyant |
| Alis-Ghalmers 345g 647a Contt Corp | 245g 2412 Hat Dist. Chem. 2834 221g Skyline | from Menday's 1 pm level of Geld shares index and a gain of 20.94m. 67.4 to 1,836.4 by the Metals and Analysis tied the fresh rise in Minerals index. In contrast, Oils | Peko-Wallsend, 16 cents higher at Peko-Wallsend, 16 cents higher at ASS-56, and Pancontinental, 40 higher \$559.12 follows: |
| Amax | 16 ³ 4 44 ¹⁴ 4 Nat. Standard 12 ³ 6 12 ³ 6 30ny | precious metals prices to the and Gas receded 12.6 to 3.732.5 developments in Afghanistan. while in Montreal, Banks President Carter said the U.S. declined 0.64 to 311.23. | cents up at AS6.40. Among Industrials, Herald put ing Menday's jump 6f 27 poiols ing Menday' |
| Am. Can | 83 New England EL 221g 221g Sthn Pacific | stronger response to Soviet mili- tary action in Afghanistan. Marke's made a brilliant start | Paris the half-day session total of HKS225.59m on New Year's Eve. Attracting the most altention |
| Am. Heist & IR 21 2714 Crown Zell 4318 4276 Household F Am. Heme Prod. 2714 2714 Gummins Eng 31 3019 Houseton India Am. Medical Int. 3018 3018 Gummins Eng 31 3019 Houseton India | rp 44½ 4354 Niag. Mohawk 1256 3856 Sperry Corp 5019 56 Fin 1219 1814 Niag. Mohawk 1258 1258 Spring Milis 1834 12 Fin 2918 224 Hiesen 1AC) A 2712 3712 Square D 2314 23 Gas. 4014 4012 HI. Industries 3418 348 Squibb 3778 37 | analysts 2dded, made it unlikely day, stocks scoring widespread interest rates could recede much, although Bankers Trust joined energy, gold, silver and some | over the deteriorating inter- national situation, stock prices market talk of an imminent fell across the board in very approuncement which might con- |
| Am. Metors | Min. 2254 2268 Herfolk & Westn 9714 9712 Std Brds Paint 2454 2454 2514 Nth. Am. Coaf 3834 39 Std Oil California 5654 551 552 514 Nth. Am. Philips 2634 2718 Std Oil California 7878 78 | ls Chicago by cutting its Prime Ordinaries index climbed 20.0 to 8 Rete one quarter of 6 point 16 8 fresh all-time high of 760.0 and | Market watchers said many property. operators had attempted to Honk Kong Bank put on 20 |
| Am. Standard 5434 5472 Oayton-Hudson 4246 42 Am. Stores 2056 5059 Am. Tol. & Tel. 5216 5214 Amotek 24 2412 Oenny's 3918 3934 Hunt I Philip Husky Off | A) 111g 117g Horthgate Exp 161g 95c Stanley Wks 411g 42 Horthgate Exp 161g 95c Stanley Wks 411g 421g Starling Dirag 20 20 20 Sterling Dirag 20 20 20 20 20 20 20 20 20 20 20 20 20 | Gold Bullion rose about \$35 rose 177.33 to 4712.63. In London and was quoted \$9 Coocern over world energy higher than that in New York supplies and the Middle East | sale of their securities into gold. The resulting flood of buying Swire Pacific 'A' 15 cents to orders and the lack of selling HKS9.65 but Jardine Matheson |
| AMP. 404 40 Dentaply Inti 78 12 18 Huyck | 2434 2478 Nwest Inds | tracts were up. Australian crude oil parity price Gold and Silver Mining increase pushed resource stocks | orders resulted in the Paris shed 20 cents to HK\$17.00. stockbrokers' Commission ordering in a suspension of trading in the Gold market. Shed 20 cents to HK\$17.00. Among gUtilities, Hong Keng in the Gold market. HK\$6.40 and China Light at 50 |
| Anhouser-Sh. 02½ 02½ 00jdtai Equip. 68% 0754 icear Toy | 554 555 Norton Simon 10 10 10 Superior Oil | on the surging prices of the lem rose 10 cents to AS2.32 and metals. Dome Mines climbed Ampol Exploration 13 cents to 44 to \$554. Homestake 32 to AS2.35. | Steel and Shipbuilding concern cents at HK\$22.20, but Hong Metallurgique Navale Dunkerque Kong Gas lost 50 cents to the fell 13 per cent: Closing more HK\$30.50. |
| Ashland Oll | 2714 6714 Olin 16 1218 Tampax 314 61 243 243 25 Omark 3445 3412 Tandy 314 61 Telectron 315 126 01 12 | Minerals 2; to \$341, adjusted in London on New Year's Eve, for a stock split, Callaghan Min. jumped 90 cents to AS12.10. Main factor behind the buying was | of Fridey were Union Francais dc Banques (off 11 per cent), Institut Mericux. Codetel, Gold shares advanced to close |
| Auto-Data Prg. 35 3514 Or. Pepper 1178 1176 Int. Harvests Avco. 2736 2814 Ouko Power 1771 1756 Int. Awary Int. 16 1736 Dun & Brad. 4378 4358 Int. Reciber Int. Reciber | er 39 393g Owens-Corning 2812 285g Teacre Pet 1914 19 1916s 12 123g Owens Illinois 264 261g Texaco 267g 29 PPG Inds 287g 223g Texas Comm. 8ki 44 45 1916 1916 1916 1916 1916 1916 1916 191 | Other Mining shares were also firm. Phelpz Dodge rose 12 to stream and upgrading facilities | Germany the Bullion upsurge to a new record London morning fixing. Nost shares retreated in light, Heavier-priced issues gained as |
| Avnot. 0034 2078 EG & 0 487g 4612 lows Beof Avon Prods. 391g 391g Baker Intl. 5312 3314 EMI 258 258 lrving Bank Bait, Gas I El. 221g 22 Easto 171e 171e Bart, Gas I El. 221g 22 Easto 171e 171e | 54 544 Pac. Lumber 4712 4754 Taxas Oil & Gas 014 60 254 2518 Pac Tel & Tel 116 1176 Texas Utilities 1754 17. 1754 17. 30 9959 Palm Beach 103e 153e Texas Utilities 304 35 | 14 to \$47] and Newmont Mining 14 to \$41]. Copper producers have raised their prices. Reflecting its coal and shale oil interests, CSR forged ahead 30 cents to \$512 With the CSR | trading, still limited by holiday influences. The Commerzbank index declined 7.7 to 708.0. Traders said factors depressing to R41.75. |
| Banger Punta 90 203e Eastern Ges & F. 91c 917e Jim Walter 975e Gonk ef NY 3012 3514 Eastmen Kodak 4814 4812 Johnson Manvil Bankera Tst. HY. 40 393e Echlin Mfg 1612 147e Johnson & J | 1014 2048 | to \$46). Analysts said rising acceptance conditions, Coal issue silver prices were behind the Thiess kept in step with CSR and | the stock market included relatively tight credit, the soaring price of gold and the world and overseas demand, while |
| Bausch & Lomb 32 13 36 Electronic Oata. 2634 2634 30stens | 998 Penney JG | production of film. Sharply higher world hullion THE AMERICAN SE Market prices pushed Central Norseman | Selling in thin markets resulted in some sharp falls, in Elec- tricals, Brown Boverl lost shares advanced. |
| 20ech Aircraft 50 481e 5mhart | 274 27 Perkin-Elmer | Poseidon 15 cents higher to AS2.40 and GMK 25 cents ahead to AS3.95. With silver prices also | DM 13.80, while Chemicals and Construction Materials concern Regregative receded DM 12. Japanese and most Swiss Deutsche Bank fell DM 4, while markets remained closed yester- |
| Beneficial | 125g 127g Pholps Dodge 307g 307g 307g 307g 307g 307g 307g 307g | for this edition. AS4.50. Elsewhere among Min- | in Moters, Volkswagen shed day for New Year holidays. |
| Black & Decker, 93 | 774 774 774 775 775 775 775 775 775 775 | Stock 31 96 Jan. 2 Frs. — Jan. 2 | Price + or Jan. 2 Price + or Dec. 28 Price + or Dec. 28 Yen — ANZ Group 4.69 + 0.81 |
| Bordon | 26 201s Plessey 237g 241s UV Inds. 2814 266 224 2 24 2 24 2 24 2 25 25 25 25 25 25 25 25 25 25 25 25 2 | Abltibi | 79 |
| BP | Prod 3234 3956 Pub. Serv. E & C. 1918 1918 Union Oil Cal | Asbestos | 105.5 -0.0 Aust Guarant 1.40 +0.81 M bishi Bank 370 +6 105.5 -0.0 M bishi Bank 370 +6 105.5 -0.0 M bishi Corp 742 c +66 105.5 -0.8 Aust Paper 1.48 +0.86 M bishi Efect 200 |
| 6rewn & Sharp 266g 271g 6rewng-Ferrts 1614 1514 1st Ghicago 1614 1514 Levi 3trauss 186g 1814 1st City Bank Tex, 8684 80 Leviz Furntr. 1815 Inti Bang 883g 88 | 2454 2412 Quaker Cats | Bell Canada 2012 9612 3712 38 BP Canada 4158 BP Canada 4158 Energy A | 28.B -1.0 Barrioto Creek 2.83 +6.88 MH 1.25 -1.0 939.2 -0.3 Boue Metal 1.25 +0.85 Mitsul Co 550 +10 Mitsul R Est 594 +24 1.72 4.8 Bond Hidgs 2.0 1.00 +6.81 Mitsul R Est 594 +24 1.72 Mitsukosh 2.1 +0.84 Mits |
| 8urington Ind 1278 1718 1st Nat. Boston 2834 2878 Liggett Group 2urington Nthn. 5019 0644 1st Penn 634 98 Lilly (Eli) 119 Eliy (Eli) 556 558 180 Eliy (Eli) 556 558 180 Eliy (Eli) 1100 180 1 | P. 38 388 RTE 85 21 US Inde 259 85 5934 60 Raiston Purina 11 164 UZ Shoe 1776 16 14 21 US Stoal 1719 171 171 4812 4812 4812 4812 4812 4812 4812 481 | B.C. Forest 2512 9314 | 72.3 +6.1 8rambles Inds 1.85 Nippon Denso 1.250 -40 |
| CBS | 15 | Can HW Lands 171g 177g Cop Handelsbrik. 120 KLM | 72.3 -1.9 Cariton & Utd. 1.90 Nippon Stingan, -500 116.6 -0.2 Coles (G.1) 1.36 Nippon Steel 1.19 Nippon Steel 233 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 |
| Campboli Tags 2 56 26 Fexboro | 954 956 Reliance Grp 60 5834 Varian Assocs 3614 361 Vernitron | Con Inds | 73.8 |
| Carnation 25 2476 GAF 1614 1616 Macke Mac Millian Mac | 854 Bls Reserve Oil Gas. 344 345 Walker (Hiram) 471 9 465 1434 1516 Reserve Oil Gas. 344 345 Walker Mirroy 2516 277 Reserve Oil Gas. 3034 3136 Walker Stores. 344 345 Walker Stores. 344 345 1545 Warmago 1156 115 | Cdn Tire | 56.0 -1 Dunlop 6.81 -0.81 Orient 970 142 2.26 +0.05 Orient 970 142 35.2 -2.3 Endeavour Res. 6.36 1-0.9 Pieneor |
| Carter Hewiey 1714 1718 CK Technologies 2418 2578 Merca Hanove Cataphillar | 184 19 Raynolds Rijt 344 347 Warnor - Lambt 2016 26 Warnor - Swasoy 7416 735 735 736 735 736 736 735 736 7 | Consumors Gas. 27 2718 Superfos 125 -2.6 Rollno. Royal Outch Slavenburg s. 754 754 RANCE RANCE | 143.0 +1.0 Hemerstey |
| Champing 154 156 156 Gon Foods | d 163a 163a 163a Rote Aid | Sonison Mines 571g 371g Jan. 2 Price + or Unilever | 114.7 -0.9 Jimberlana Min., 1.63 +6.65 Stanley |
| Chase Mennheth 385a 385a Gen Portland 15 16 Mattel | FD- 1414 1415 Rohm & Naas. 4816 | Com Foundriss A 35 5434 6NE 53 4200 +200 Com Stores 2442 2458 Alr Liquide 455 -28 Falcon Niokei A. 9134 88 Acultaine 1.165 -55 | Meckatharra Ma 6.60 Talses Corp |
| Chessie 6ystem 301 ₂ 301 ₄ Gen 3ignal 675 ₈ 671 ₂ Maytag | 2476 25 Royal Grown 14 1476 Wheeling Pitts 1718 1518 1 1 107 Royal Dutch. 7876 7658 Whirlpool. 1314 1914 1914 1914 1914 1914 1914 1914 | Ganstar | News 6.70 |
| Ginoinnati Mil. 281a 2814 Genuino Perts 235a 237a Genuino Perts 235a 237a Genuino Perts 235a 237a Genuino Perts 235a 237a Genuino Perts 235a 235a 235a 235a Genuino Perts 235a Genuino Perts 235a Cenuino Perts 235a Cenuino Perts 235a Genuino Perts | 267g 27 Rydor System 224 24 24 24 24 27 25 26 26 26 27 26 27 26 27 26 27 27 26 27 27 27 27 27 27 27 27 27 27 27 27 27 | Homo Oil A 97 Cub Moditer 338 -15.2 ANIC. | 16 +0.25 Pancon 6.40 +6.40 Tokyo Sanyo 6554 -18 4,000 +260 Poneer Conc. 2.08 +0.18 Tokyo Corp. 2453 +12 6,751 +46 Queen Mare't G. 0.43 +0.81 TOTO 4460 +6 |
| Clorox | 263 243 245 St. Joe Minls 35½ 355 Wisc Eleo Power 2278 2318 2318 2754 2754 2754 | Husky Oil | 1.945 +57 Santos 7.30 -0.19 Victor 255 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 |
| Colgate Palm | 78- 35 384 5anta Fe Intl 343e 343e Yollow Frt Sys 1412 1412 731e 3214 735 320 1619 371 371 371 371 371 371 371 371 371 371 | Inda | 1,483 +6.5 Tooheys. 8.00 Yamazaki. 530 +12 Yasude Fire. 512 -2 Yeko-jawa Bdge. 569 +4 Utah Mining. 6.90 +0.05 SIMCA PORE |
| | | Marka & Spencer 7 713 Imetal 62.5 -18.4 Makssey Fers 12 12 Lofarge 240.1 -15 Moore Corp 35 661a Mountain State 11a 11a 11a 11a Machines Bull 60.1 -3 Matra 7.260 150 Jan. 2 1 | Waltons. 6.67 +0.81 Western Mining. 3.60 +0.10 Woolworths. 1.42 +0.02 Wormald Intl. 3.12 +0.07 |
| Indices NEW YORK-OOW JONES | Jen. Dec. Oec. Dec. 1979-66 2 31 28 27 Nigh Low AUSTRALIA Sydney Ali Ord. (1936/35) 47(2.68 1c) 4565-88-488 50 47(3.68 12) 545.72 12 18 | Noroen Enorgy 3178 3218 Moulinex | Tonar — Jan. 2 Price + or Fraser & Nave — 1.90 +0.02 |
| Oec. Oec. Occ. Oec. Dec. Dec. 1079 Since Compiler 31 28 27 26 24 21 : High Low Nigh Low | AUSTRIA Credit Aktion (2/1/82) 88.88 | Numan Oil & Gas 4814 4012 Permod Ricard 26.1 2.8 Elkem 2.5 Cakwood Pet 1434 1434 1434 Permod Ricard 202 14 Kosmos 2.75 2.79 Peugoot-Cit. 253 12 Norsk Hydro 2.50 Storebrand 2.50 | 91 +4 Comos Prop |
| \$\Phi\$ industr' is \$\text{B38.74 B30.01' 840.18'} 836.14 838.18 \$\text{B58.01' 897.81'} 789.87 1051.70 41.22 16115 167111 17711 17751 (277) 622 178.87 178 | Beiglan 8E (81/12/68) 181.55 (C1 182.82 105.27 188.47 (6/10) 95.89 15/11 | Placer Oev | HK Electric 6.40 +0.25 Straits Tridg 7.75 +0.22 HK Kowloon Wh. 76 +1.0 HK Land 14.9 +0.4 HK Shanghai 8k. 18.5 +6.2 SOUTH AFRICA |
| Transport., 262,39-258,28:262,87-252,97-285,94:264,55 271,77 295,78 12.25 Utilities 105,88 107.84 187,61 187.88 187,611107.84 182,74 38,24 188,82 188,82 10.52 TradingVol (17:12) (24/16) 120/4(85) (28/4/42 | FRANCE GAC Genoral (29/12/61) (u) (c) 182_70 185_8 115_1 18(181 82.4 (15/21 Ind Tondanco (28/12/78) 101 101 108_18 103_2 122_8 14/10) 92_7 122_71 | Roed Steinhs A 678 679 Telemech Elect. 704 -18 Rio Algom | Price + or Jardine Meth 17.0 -0.2 Jan. 8 Price + or Now World Dev. 3.85 + 6.18 Case 15.4 + 9.0 Seas Trust Bk. 4.35 + 0.18 |
| Trading Vol 000°s) 31,590 34,818 31,542 25.040 19,188-30,298 | FAZ-Aktion (51/12/58) 225.99 ICI 227.27 225.7 295.68 (19/11 225.76 17/11] Commorzbank(Dec.1883 798.8 ICI 718.72 718.8 855.88 [16/11 704.68 (7/11] HOLLANO | Sceptre Res 14 s 14 GERMANY ASEA Sceptre Res 107s 107s 47s 48 48 5hell Can A 66t4 351s 3 | 67 |
| Ind. div. yield \$ 00c. 28 0sc. 21 Dec. 14 Year age tapprox. 2,03 6,03 0,00 6,00 | NATIO Seno Renkisti 7/841 and 12 are an are and are | Steel of Can A | 102 Dec. 28 Prico + or Currie Finance 1.46 + 0.10 |
| STANGARD AND POORS | ITALY Bonca Comm. Ital (1972) 85.11 82.45 81.88 81.93 85.65 (4)10] 88.68 (2/1) | Trizec Minter 134 135g SHr-Bank 180 -2 Saab-Scanig Trizec 163.5 -2.5 Sandvik 163.5 -2.5 Skenrig Skenrig 163.5 -2.5 -2.5 Skenrig 163.5 -2.5 -2.5 -2.5 | 86 —1 Asahi Olass |
| Dec. Oec. Oec. Dec. Oec. Dec. 1279 Since Cmpilitin Since Cmpilitin Since Cmpilitin Oec. Dec. High Low High Low | JAPAN Dow Average 118/5/48) (c) 1c1 6568.73/5529.95 8590.68 (29/5) 5925.87 118/41. TOKYO New 3E (4/1/68) 1c1 (c) 458.81 458.74 405,24 (29/5) 455,18 113/7) NORWAY | Walker Nrmi A 5512 5575 Commorzbank 177.8 -3.1 8kan Enskilda 177.8 | 18 |
| #indust'ls 121,02 120,88 121.84 7,22.80 129,75 129.88 124.48 187.88 134,64 3.52 (151)01 (27/2) 1117/1/151 (50/9/52) 107.98 1 | Oslo OE (1/1/72) 155.81 (c) 154.55 157.45 142.22 (15/12) 74.40 (18/1) SIHGAPORE Strafts Times (1588) 455.22 435.41 424 12 431 431 431 | AUSTRIA Deutsche Bank 252.5 4 OU Schult | 21 +0.6 Ebera 261KO 285 +8 Rust Plat 2.75 +0.50 65 -0.05 Ebera 387 -2 Sage Hidgs 2.75 -0.50 54 Ebera 2.75 -0.50 54 Ebera 2.75 -0.50 54 Ebera 2.75 -0.50 55 Ebera 2.75 -0.50 56 Ebera 2.75 -0.50 56 Ebera 2.75 -0.50 56 Ebera 2.75 -0.50 56 Ebera 2.75 -0.50 |
| Dec. 26 Dec. 10 Dec. 19 Year age (approx | SOUTH AFRICA Cold (1858) 1u1 1c1 558.0 528.0 558.8 (28112) 229.40 17/41 Industrial 18581 1u1 (c/ 451.2 448.2 451.2 128/12) 278.55 12/11 | Dyck Zement 143.7 SWITZERLAND | Fujisawa |
| Ind. P/E Ratio 7.67 7.70 7.65 8.55 Lon. Gov. Bond Yield 10.17 10.69 10.21 B.96 | 8PAIN Madrid 8E, (28/12/79) 109.75 100.50 - 100.75 (2/1/89) 100.80 (28/12/79) SWEDEN | Perimosor | Ces + or Hitachi 287 -1 Hitachi Koki 670 +7 Honda 685 5 685 5 685 5 68 |
| N.Y.S.E. ALL GOMMON Rises and Falls Dec. 31 Occ. 22 Occ. 27 | Jacobeon & P. 1/1/561 352,55' (c) 351.88 350.77' 401.54 (6/2) 351.57 (24/5) SWITZERLAHD Swiss Bank Cp. (31/12/56' 393.9: (c) 502.75 361.6 329.10 (2/5) 294.00 (6/1) | Karstadt | 700 + 5 Hoya 708 778 -1 Spain prices Page 14 276 + 25 Hoyokado 565 -5 Hoyokado 1,300 +40 Hoya 100 +20 JAL 2800 +85 +8 Jacos 2,800 -10 |
| Dec. Dec. Dec. Dec. 31 28 27 26 Nigh Low Rises | Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last manted based on 1975. † Excluding bonds. ‡ 400 industrials plue 40 Utilities. 40 Financials and 20 Transports. a Closed, at Investigable. | ARBEO | 100 +10 Kashiyama 663 +2 Acesita 1.09 |
| MONTREAL 1929 | NEW YORK ACTIVE STOCKS Change Change | Bokaert 8 | 10; +20 Kokuyo +5 Sanco Itau 1,48 |
| Oec. Oec. Dec. Dec. 1972 31 22 27 20 Nigh Low Industrial 329.92 28.85 589.88 tc1 532.12 (6/19) 210.18 (2.17) | traded once day traded orice day | Fabrique Nat 3.225 +6 Rosenthal 246 -4 Schindler(Pt Gts) | 21 +1 Kubota 561 +1 Souza Cruz 3.06 -0.00 |
| TORONTO Composite 1815.21 1904.21 1708 6. | Chrysler 365,200 63 7 5 oeutnem 282,900 11½ + 1 18M 365,400 64 7 18M 285,400 845 + 3 18xas Util 285,400 17% - 36ars Reebuck 293,000 17% - 18xas Util 283,900 17% | Hoboken | 78 |

FINANCIAL TIMES SURVEY

Thursday January 3 1980

The basic upward movement in the market should cushion the rental companies against a full recession which may hit other consumer fields. However, it is a very crowded trade in which the household name companies hold only a small proportion of the business. Smaller and medium-sized companies still form the backbone.



| ON THE FO | LLOWING | PAGES | |
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| Franchising | | II | P |
| International | companies | ш | R |
| UK industry | | m | |

| The independents | IV |
|-----------------------|----|
| Payment systems | TV |
| Rentals and the motor | |
| business | IA |
| | |

Ask yourself which car hire company gives you a better service than Godfrey Davis—we

think you'll come back with a very simple answer. Nobody. Nobody has more cars than us. So we're more likely to have a carwhen you want one. Nobody has as many offices as we have all over

the country—we have over 175. So we're likely to be closer to your point of departure. And closer to where

you want to drop the car off. (They don't have to be the same place). Nobody else has facilities on railway stations. We have them actually on over 70 Inter-City stations (so you can step off the train straight into one of our cars).

Forget for a moment the flannel and NOWYOU KNOW WHO OFFERS flattery that car hire companies seem to

And nobody else guarantees a car to their charge card holders or British Airways Shuttle passengers.

It's because of facts like this, that we find more and more people keep coming back to us And if you think that's just a bit of flannel on our part do you know who's got more customers than Godfrey Davis? Godfrey Davis You've guessed it Nobody.

MORE CARS. MORE OFFICES. MORE CUSTOMERS. LESS FLANNEL. Tobackone of our Fords arother quality cars, ring Ol-8287700. Or consult Yellow Pages. Hence (1983) 1832 Rend ad Long Assertion (by No.

A 1980 marketing war in the making

WHATEVER ELSE 1980 holds Hertz, Godfrey Davis and for the car rental husiness it Budget he would probably certainly seems to have all the begin to run out of ideas. In makings of the year of the fact even in that list he would marketing war. The prospect be missing a few majors—the is causing a degree of nail-biting remarkable growth of Swan in various corporate head-quarters but as far as the consumer is concerned the next 12 months should see car rental very much a buyer's market.

Given normal trading conditions the trends in the car rental husiness bave been constantly upwards over tha past couple of decades. Needless to say, of course, trading conditions at the moment are anything but normal. However, the basic upwards movement in the market is enough to cushion the rental companies against the full horrors of a sales recession which may hit other consumer fields. In other words most companies see 1980 as a year of consolidation; a time for snapping away some of the market share of rival companies: and a time for making sure that nobody takes away too much of their own business.

In theory the car rental business has all the characteristics of an industry liable to see a few casualties in hard times. It is desperately crowded with competition, its stock of cars represent a considerable hurden when interest rates are high, it relies on an active business market and it looks to bealthy tourist traffic to keep things buoyant in the summer.

In practice it has an asset which has stood it in good stead in the past. competitiveness of the business, and its apparent willingness allow considerable crossindustry management mobility. has produced management teams which in most cases are small but remarkably effective. rental companies see a down-It also has the ability to adjust to the market environment.

dominated by the household with equal singlemindedness, brand names. Ask the man in therefore, the rental companies the street to name a few rental see as their main target for

National recently has moved it into the hig league. In fact these majors still hold a minor section of the total business both world-wide and on the British domestic scene. Smaller and medium-sized companies still form the backbone of car

Objective

Underpinning the car rental business is an increasing accept-ance overall of the idea that renting a car is a normal practice rather than an unusual event. As an industry its prime objective is to ensure that car rental is thought of as an essential part of the transportation system; after hat it is a matter of convincing customers that cars are a superior form of transport. In Europe this has been rather more of an uphill struggle than was the case in north America. Jet-anddrive may be the norm in the U.S. but public transport is much more sophisticated on the eastern side of the Atlantic where train and taxi is the oftused business route.

The result bas-been that the car rental organisation's major rival is the rail system of The significance of Godfrey Davis sewing up the British Rail system in the UK to that company's success in holding up against the massive late-'60s, early-'70s onslaught from the American majors cannot be underestimated. Godfrey Davis proved that Hertz and Avis, while formidable giants, were not unbeatable. Almost universally the car

turn in leisure rentals in the its marketing effort according early SOs, even the most optito the market environment. mistic of them are looking only from the outside it is easy for stagnation in the total to assume that car rental is market.

The average company can rental showed little sign of expect much greater aggressinn from car rental salesmen over the next year or so, proffering discounts, credit cards—and of course the most amazing service. Considerable efforts are likely in the marketplace in order to increase public awareness and confidence. Avis has already naveiled a £500,000 campaign to do just this.

Although the passion for opening new locations on prestige sites that was the fashion in the early 70s may have died somawhat under the bright light of economic reality there is still considerable interest in finding sites, once against with particular attention paid to business areas.

It is in this field that the majors will be doing their best to pick off the smaller com-petitors. Many garages opera-tions successfully run a car rental side and acquire considerable local loyalty. A complies the organisation's trucks and vans, sells petrol and services the directors' cars.

A few years ago that market was regarded as too difficult to break by many of the bigger companies. Now, however, attitudes are changing and attention is moving out of the big conurbations to the regions and to such locations as trading estates. "Even a fleet of six or seven cars in constant use can be enough to justify a location," saya Hertz. There is some doubt whether there would be much of a rush to go that small on a widespread basis. hut such are the managerial strains of rapid

All companies will he endeavouring to plan their rates in such a way as to brand names. Ask the man in therefore, the rental companies capture particular markets with the street to name a few rental see as their main target for out disturbing others parts of companies and after Avis, 1930 the business community, the trade. Time was when car

There's a great deal

happening at Kenning

Car & Van Hire

price sensitivity unless gaps widened too greatly. Company accountants are paying closer attention to the rate game now, even if direct comparisons of rates often needs a touch of mathematical genius. A company which is hest for one-day, unlimited rental of a mediumsized car, may be expensive for a two-day short trip in a small car which is dropped off at a distant point. Choosing the best buy for a particular purpose is a task which daunts the average user, who tends instead to choose one rental company for overall performance.

Performance

This aspect of overall performance is the key to the game, and likely to be increasingly so in the early 1980s. It will re-quire the companies to pay particular attention to two aspects of their business-staff training and fleet usage. In both pany which does only domestic cases this is due to an overall base-to-base rentals sees no consumer babit of making a international operator when other words most of us have a around the corner is a reliable car rental company. few people I have met will ever say they will only rent from one

company.

The reason for an individual blacklisting a company may be slight—an ill-tempered receptionist or a dirty car-or aerious (a wheel once came off a car I rented, within 300 yards of the rental point). This message is being drummed into staff re-peatedly in the current round of training sessions.

Fleet usage is, if anything, a trickier matter. If a fleet is under-used the company is in financial trouble. If it is overnsed then customers who have been wooed by salespeople or advertising find they cannot get vehicles and turn somewhere else. It is a difficult business, and this is going to be a more difficult year than usual. But for us. the renters, it means a period when for once we will be —if you will forgive the ex-pression—in the driving seat.

Arthur Sandles



The big companies are preparing to consolidate in 1980. Above: Frank A. Olson, president and chief executive of the Hertz Corporation

Franchising likely to be a main growth area

FRANCHISING seems likely to own outlets, while the nature of overheads of a national organisabe one of the major growth the franchise contract means tion. It also catered for the areas of the car rental trade in the 1980s since it offers a relatively low-cost means of expan- pany. sion as well as, arguably, achieving a higher level of management motivation.

The two main franchised car rental companies are Budget Rent-a-Car and Thrifty Rent-a-Car, although the established. companies also bave some franchised outlets and are increas-

Franchising, hy definition, is where a company establishes a contractual relationship with owners of separate businesses which operate under the fran-chisor's name in a specified chisee may feel that he could manner to market the product run the company better without

businessman—the franchisee ssential know-how: equipment materials, and local rights to a

Franchises are guided through all the stages of setting up a husiness and schooled in administration and financial control. They benefit from continuing guidance from the franchisor, including further training where necessary, and benefit from the national advertising and image promoted for the franchise.

Moreover, the link with a well-known franchising com-pany may make it easier for an Individual to borrow the necessary capital to start up the

pand the business. Most or the capital cost, for example, is put tion in the world. It has 120 up by the franchisee himself ontlets in the UK and more than 1,500 world-wide.

Budget started just over 20 in Los Angeles, Cali-

such management difficult to recruit may attract to its ranks the kind of entreprenenrs who can make a business work beeause they have the motivation and local knowledge to make it Staff and renting costs are

also far inwer than if the fran- by concentrating on local opera-chisor owned and staffed his tions, thus avoiding the high

that the franchises are in some measure "tied" to the com-

But while many franchises are glad of the franchisor in the initial stages of the busi-ness venture, the degree of control from some franchisors can irritate. After all, many franchisees started out in husiness on their own in order to escape working for someone else. They ingly considering this me d of may begin to rebel, therefore, at expanding their operations. forced upon them.

Once the husiness is established they may also query the size of any royalty payments to the franchisor since the frantheir belp.

Thus, in car rental, the franchise company offers the small business many the franchise company offers the small to retain his control over certain parts of the franchise since

But the franchisor is forced to retain his control over certain parts of the franchise since Switzerland, in 1964 and there obvious that one branch failure can seriously affect the image of the whole franchise operation, be it car rental or fast

Resources

Yet, in spite of the problems nf management control, fran-chising still remains an attractive method of expansion for companies in growth areas but without the resources to expand themselves.

The two main car rental companies which operate a franchise system are Budget and

Budget Rent-a-car is the For franchise companies as second largest car-hire company well, franchising can provide in the UK in terms of number the financial resources to ex of offices and customers, and

ears ago in Los Angeles, Cali-Companies which usually find fornia. At that time major car rental companies were charging a minimum rate of \$10 a day and 10 cents a mile. Budget's strategy, as the name implies, was to offer the same service but at half the price of the larger companies. Budget was able to do this

insurance market by temporarily replacing written-off or lamaged cars.

Since the key to Budget's low prices was to offer the benefits of local service but with a national image, it soon became clear that a franchise operation would achieve this end. A franchise in a certain area would be able to operate in the same way as a traditional small car-hire company—catering for the domestic car-hirer and offering lower rates because of being a local operation—but would reap the henefit of the Budget

the market.

he is acting in the interests of are now over 15 outlets in the all the franchisees. It is all too country; including offices at Geneva and Zurich airports.
The UK was the second Euro-

pean market that Budget its rates are about 40 per cent lower than the large-operations, offices and 31 cars, in 1966. Now Budget has 140 offices and claims to cover more towns and claim cities than any other vehicle are less than seven months old rental network in the UK. It The average return on invest-

Budget quickly expanded in the UK until 1974 when, lika all the car rental companies, it was hit by the petrol crisis. Budget subsequently switched its marketing effort to the aector of the market where it foresaw most growth: business rental · It claims that its business rental activities have now increased dramatically as a result of this marketing switch. normally expects the franchisce with between seven to 10 vehicles and need not already be in the motor trade. Minimum investment required by the would-ba franchisee is £15,000.

become the fifth largest rental

company in the U.S. and Canada. But it was not until last summer, however, that Thrifty started in the UK. It now has 16 outlets and another 30 on the way.

Thrifty's present UK chairman, Mr. Jim Brown, became involved in the company when he was nffered the Thrifty franchise for Gatwick Airport. Mr. Brown had established his own car rental company, called Selectacar, which was based at Bromley, Kent. Selectacar also supplies the RAC with spare kits for its members.

Mr. Brown convinced the U.S. holders of the Thrifty master franchise that he could substan-Franchising also offered tially expand the UK operations Budget a fast and efficient way and was given the opportunity of expanding its coverage of in 1976.

Overheads

Thrifty, like Budget, can afford to offer lower rates than the national car-hire com because its franchise operation means that the large overheads are reduced. Thrifty says that

7.000 cars, vans and trucks.

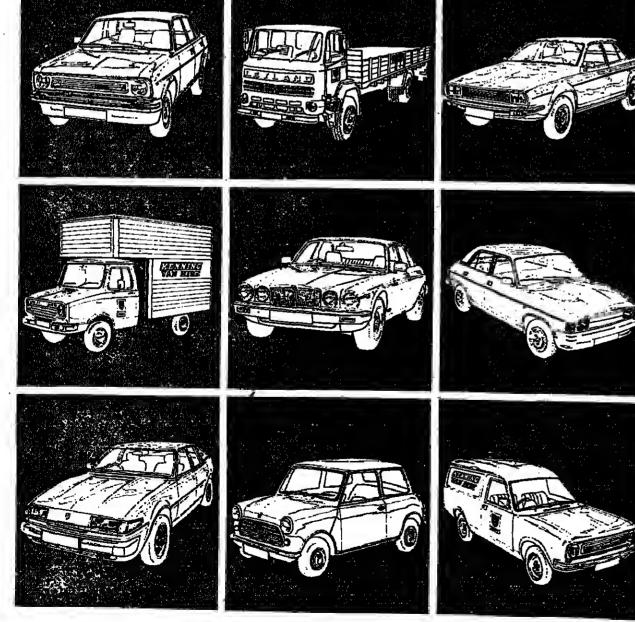
In 1969, the company was taken over by the Transamerica business into an existing service station or garage business have bas a vehicle fleet of about ment for a franchisee is about achieved a 55 per cent rate of return. In the U.S. Thrifty normally expects the franchise to achieve a gross profit of 32 per cent The franchise fee depends on

the potential of the territory, with £1,500 as the starting point. Franchisees royalty of 5 per cent to Thrifty, 2 per cent to the international advertising fund, and 3 per cent to the UK advertising fund. The minimum investment is £12,500 which provides the deposit on a which provides the deposit on a six to eight car fleet plus working capital and other initial fees.

Both Budget and Thrifty are members of the British Franchise Association, the body set up by the franchise industry

That other major companies to expand via franchising in the UK is Thrifty rent-a-car. Thrifty was founded in the early 1960s in Tulsa, Oklahoma, and via the franchise system has the companies of the British Franchise Association, the body set up by the franchise industry to ensure that rogue nperators are weeded out and to maintain standards of operations.

David Churchill



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Third contender joins the international fray

an extremely competitive one role. and worldwide there are two giants battling for markets. while a third conlender has recently joined the fray in

The two giants are Hertz and Avis, both U.S.-owned and employing similar management styles. The third company is Budget, which, in 1960, became the franchise system it is today. Avis, for example, started as a franchise operation but dis-continued the oolicy.

Budget Rent-a-Car, part of the Trans America Corporation, was founded in America in 1958. opened its first European office in Switzerland in 1964. It opened in the UK in 1966 and has 140 offices in the UK and 1,500 worldwide.

Like Avis and Hertz it has a worldwide reservation system, the nerve centre of the system heing a computer reservation centre in Nebraska.

Budget, which is one of the UK with Godfrey Davis and Swan National in terms of the number of offices and customers, claims that business in image. The greatest difference this country is expanding is in their marketing organisa-quickly, with that of the tion. husiness sector expanding by

Costs

garage dealerships, including a European marketing director.

Mann Egerton, Dutton-Foreshaw and Lex. They are predominantly Vauxhall and BL tion of what we do in the UK of its fragmented nature, with dealerships and in 1979 Budget is the result of what is going the hundreds of small said it had a peak fleet of 7.000 on in France or America, or independent operators, but it is cars, vans and trucks on UK

on turnover. system the individual office and Fiats in Italy.

need and employ marketing But while ficerta's top car is staff, only operational workers. The Mercedes. Avis offers a sized companies which usually luxury car fleet. Aris is in fact offer a more localised service. The range of vehicles and

THE CAR RENTAL business is usually acts in a managerial services, including that of the determined on the quality of

The franchising system, it says, makes savings on over-heads because most of the bire offices are within existing garages and for the same reason the vehicles are comparatively easily malntaioed.

Budget, however, because of. the franchise system, hinds it more difficult to provide some of the services offered by other companies which own their own fleets. For example, it has only recently started offering one-way rentals and these operate in a limited area.

But is aims as a similar sort of customer as do Hertz and centrated on the fleet rental market and only in the late 1960s, in the UK, moved into 1960s, in the UK, moved into tomers and as far as the con-the travel agency business sumer is concerned their differ-Hertz has tended to concentrate enl performances appear to be more on the businessman but similarly is heavily involved in the holiday trade.

Avis, Hertz and National Car Rental are the giants in the U.S. market and internationally the hirst two vary little in their

100 per cent a year. Franchising marketing and sales departing to go by, the most sone method by which expansion can be achieved very ment in individual countries).

The Ford Fiesta, for example, centralised system.

Most of its licencees are ing director, said: "I report to vice versa. Therefore, in order oads. to have a worldwide impact, we rented vehicles are operated.

Budget, which opened 14 new renort corporally." There are six main

Both commanies tend to buy spe-

prises of about 500 cars, excluded level. ing the Granada range.

These, despite it being a multi-branch company, are generally available in the UK only in the London area, and similarly in capital cities of its braoches in Europe.

Heriz sees its market more in the middle range of luxury car customers. It used to run Daimlers but the supply of new cars was inadequate and until two years ago, when it intro-duced the Mercedes-Benz, its "top" car was the Granada car. was the Granada

However, in many ways Avis and Hertz are very similar in the scrvices they offer cus-

chauffeur-driven car. Its UK local management and service £500.000-pius luxury fleet com- - hoth at national or branch

> For example, if a custumer were given a dirty car he might decide never to use that company again.

> In the UK, where the market is fairly static for a combina-tion of reasons including a falloff in tourism this year, competttion is flerce and growth is having to be achieved by cumpanies winning markets from their competitors.

> Avis ranks among the UK major car rental companies, along with Godfrey Davis, Swan National and the Kenning Motor Group while Hertz ranks alongside Budget as a less significant force in British daily rental.

> > Lisa Wood



Courtesy service vans run by Hertz shuttle customers from the return car office to three terminals at Heathrow Airport. Incoming passengers are delivered to their cars at the Hertz car park at Heathrow

UK rental industry the largest in Europe

The Ford Fiesta, for example, entralised system. costs about £70 a week to hire
Mr. Tony Hook, UK market- in the UK but more than £100 week in Switzerland or

> It is difficult to estimate the reckoned that more than 100,000

offices this year, said its Worldwide, Hertz probably companies, most of which offer licensing costs varied hut were has a bigger turnover but Avis a full national service: only made up of an initial licensing has more ears on the road, and Hertz, Budget and Avis are fee plus a percentage royalty has more franchise operations. juternationals. The "nationals" Both companies tend to buy see. are (not oecessarily in order of It claims that its national cific models, from makers such size) Swan National, Godfrey tariffs are lower than its com
75 Ford and Vauxhall, but do Davis, and Renning. These six pelitors mainly because of its buy some cars nationally for ex
companies together probably structure. Under the franchise ample, Renault cars in France have about 30 per cent of the

THE BRITISH car rental companies is fairly similar, major renters of cars. On the opening new offices there, Avis has a system wherehy industry is now the largest in although some, like Avis, offer domestic front fuel shortage rather than simply concentratmarketing and sales depart. Europe—and if rates are a fleet of "luxury cars." So the scarce and VAT scared off many ing on airports and major cities hire. ments report incally (to manage—anything to go by, the most customer is often attracted to a potential customers. Any growth in the South East, Godfrey God particular company through the in the market-generally bequality of local or national lieved to be around 5 per cent— this year and Kenning has management. Because the was achieved in the business opened six new outlets. But market is stagnating any growth travel market where the fuel because competition is fierce expense of competitors.

Benefits

1977 growth by the large com- year was much better for it panies was rapid. Commercial than for many of its competiaccounts grew particularly tors quickly as companies recognised Fred the benefits of leasing or renting cars and tourism reached record levels.

A survey by the British Vehicle Rental and Leasing provides customers with an in-Association showed that memiernational service via Inter-Association showed that members' fleets grew by more than 25 per cent in 1976-1977.

However, 1979 was a disappointing year fur the rental

businessmen for hire cars.

Swan National, which claims to have the largest share of the In the late 1960s and until business market, says that the becasue of this. Mr. Freddie Aldous, : managing director of Swan National, said The business house market, unlike tourism, is with you for 12 months a year. "The company Rent, which is an association of car rental companies spanning

36 countries and 1,800 offices. It is on this commercial marcompanies. The number of ket that all the national com- are heavily involved in car with a fall in tourism but this tourists, particularly from the panies are focussing their leasing. Codfrey Davis takes decline in overseas visitars must U.S., fell dramalically. Ameriattention. To this end they are vehicles on a financial lease be compared with the previous motions are looked after by the the UK luxury car market. The range of vehicles and U.S., fell dramalically. Ameri- attention. To this end they are vehicles on a financial lease be compared with the previous Budget organisation which leader and offers a range of services offered by the major cans have traditionally been looking to the regions, and from a primary lessor and two years which saw a tremen-

Davis has opened 11 new offices than can be achieved in the next crisis and rising transport costs in this market it is predicted few years is likely to be at the actually increased demand from by some in the trade that there: will be considerably reduced. margins.

Companies are also looking to travel agents to help in the fight for more custom. Travel both business house car rental and package holiday rental.
Standard commission is paid.

to travel agents-this ranges from between 15 and 20 per cent, depending on the com-pany. Kenning Car Hire, for example, pays standard com-25 per cent with bonuses.

Companies such as Godfrey growing and will contioue to do Davis, also a Ford main dealer, are heavily involved in car with a fall in tourism but this leasing. Godfrey Davis takes decline in overseas visitors must

leases them, complete with dous growth in numbers of visitors. service, in a form of contract

"The tourist business is also seasonal and UK car rental com-Godfrey Davis is the largest British car rental company with panies have seen a big demand 180 locations and opened 12 new for husiness hire and domestic offices last year. It has the usage. The UK car hire market exclusive contract for-operating is no more competitive than it rall/drive at 73 British Rail has always been. The market is, however, growing, for car stations and also has the contract for BA shuttle drive. It bire grows with car sales, which also operates a scheme with this year has exceeded 1.7m new registrations." General Accident whereby it

cars are off the road.

months to the end of September 1979 at £57.02m and a pre-tax

confident about the market's

growth, Mr. Tom Gibson, managing

director, said: "Car-hire is still

with a fall in tourism but this

1979 was a difficult year

Confident

hires cars to motor insurance ... Mr. Gibson said depreciation customers of the company whose costs were high as were interest costs were high as were interest rates but he did not envisage car-rental companies increasing their prices steeply to cope with With turnover for the six

the increased costs. .: Mr. Gibson did not believe, 1979 at £57.02m and a pre-tax: unlike some other rental com-profit of £4.4m Godfrey Davis is panies, that second hand cars were becoming increasingly difficult to sell. "The seconddifficult to sell. hand car market is patchy." be said. "but there is still strong demand for cars in the 9-12 months age bracket. In fact, the disposal of our fleet this year contributed to our profits."

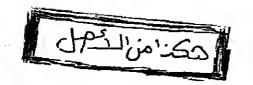
Lisa Wood

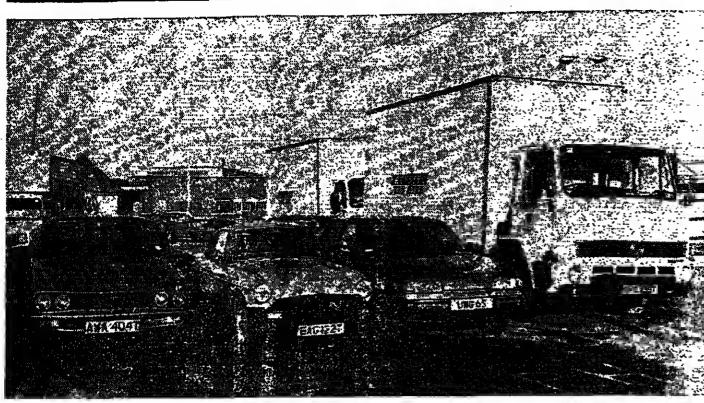
appears that 1980 is going to be a ough vear for car rental companies.

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It's good for us, because consistently Swan National rates have been the lowest of all the national companies. It's been that way for seven years, and perhaps explains why we've grown faster than any company in the history of the business. Call John Leigh on 01-995 9242.

SWAN NATIO





Kenning Car Hire, one of the main independent companies in Britain, operates from 100 locations and has a combined fleet of 1,200 vehicles

Local operators have 60% market share

A QUICK GLANCE through the panies generally range from four cars. They had been in Yellow Pages of the Telephone those offering fewer than ten the business car accessories Directory in London for vehicles to those with a fleet trade since 1956 and, as she

the "uncommitted" users of car bire want a vehicle for a weekeod trip away from their homes they reach for the local papers or the Yellow Pages.

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Directory in London, for vehicles to those with a fleet example, reveals hundreds of about 100 cars. Some offer relatively small, independent msinly average family saloons car hire firms. while a few, especially in intensive business.'

It is generally believed in the London, offer chauffeur-driven Their company car rental industry that when vehicles. It is estimated that Mini Hire, in Noti "local operators" comprise more than 60 per cent of the total UK rental market.

Two-thirds of the vehicles are Mrs. Tessa Walley and her Mint saloons, one-third are r the Yellow Pages.

bushand started their car hire business six years ago with The cost of the hire of a Mini, including VAT but excluding

mileage is £9.62 a day which is significantly lower than charges made by the multi-nationals and large national companies.

Mrs. Wslley and: "We do not bave the overheads of the bigger companies." Neither does Porto-

aaid: "We did not go into car bire casually—it is a capital

Their company, Portobello

Mini Hire, in Notting Hill, Lon-

don, now runs 70 cars in the winter and 100 in the summer.

bello offer some of the "luxury" extras provided by Avis and Hertz, for example one-way

mers are "regulars" who, when they call in to book a vehicle, are immediately recognised. are immediately recogniscu. She said: "If you as the customer go to one of the big companies there is a different receptionist behind the counter every time."

She is one of the two receptionists at Portobello and welcomes many customers on firstname terms. The company empolys five mechanics and services all its own vebicles.

Overheads

Mrs. Walley sees growth in the market in the increasing number of people in London who do not own their own cars, or prefer not to bave the overbeads of their own vehicles. hut who wish to hire a car for

visits out of the city.

Replacement costs of new cars are high and have risen steeply but Mrs. Walley said: "The name of the game is doing your figures and making sure they are right."

The independents still hold

a major slice of the market and there is little indication that this will change much over the these companies relatively inexpensive, convenient and relihle-or else they would not Guy Salmon Car Rentals is an independent company but it is relatively large—with a fleet of 500 cars — and it competes directly with multi-nationals such as Avis Rent A Car for its main business is in luxury cars.
The company—a BL main

as before. started to hire cars as a service to existing customers when their cars were off the road. Mr. Richard Salmon, managing director of the compsny saw a gap in the market between the massive inter-

national car rental corporations and the much smaller local

west London-based company opened a new base in the West End to provide it with faster access to London customers. It expanded its fleet of luxury cars and offered a 12 bours a

day, 365-days-a-year service The company'a first luxury cars for hire were the Rover 2000 and the Jaguar XJ6. Now its fleet comprises about 250 cars (out of a total of 500 hire cars) and includes BMW, Rolls-Royce, Merecedes-Benz, Saab Turbo, Porsche 924 and Range Rover vehicles.

Compete

Guy Salmon also supplies smaller rental companies with luxury cars. They market the cars in Guy Salmon's name. This is a form of sub-contracting with Guy Salmon wholesaling

In its early days the company found that to compete with the bigger rental companies it had to bave a free delivery and collection service, particularly as its beadquarters were outside central London. This bas continued, even with the West End base now operational.

Turnover of cars is rapidabout every nine to 10 monthsthat if a customer rents a luxury car be does not want a tired-looking yehicle. Despite everincreasing petrol costs, business bas not fallen off. Guy Salmon believes that, basically, a customer renting a luxury car is not interested in the price—he

pays for good service.

In December, Guy Salmon had its cars, particularly the Rolls-Royces, booked to capacity. Mr. Richard Salmon said: "Customers appear to be renting the luxury cars, on a sbort term basis, instead of buying a new car. Economic uncertainties appear to be se creat that these people are spending their money now on rental, not purchase. Depending on need, renting at

But for us, there has debelow models. Rover/Granada renters are tending to move down, whereas the Jaguar/ Mercedes customer is continuing

"Even against the current economic background I see the demand for specialised vehicles continuing strongly," be con-

anywhere in the UK

Companies who lease from Appleyard enjoy three benefits:-

The choice of just about any model

of any make, delivered in any quantity to

The facility for having your cars serviced to high standards, no matter where

your company operates in the UK

Payment systems and the businessman

with one of the major car ren- for payment. tal companies. His company, along with the other larger renhirings or "one-off" business rentals are usually preferred to be settled either by credit card or through a travel agent.

anies, bowever, are quite preparedto accept cash payments since their invoicing systems are not as sophisticated as those of the major companies.

The two main types of com-pany invoicing are central bill-ing and direct billing. Central billing is mainly used when companles use a particular operator frequently. Instead of invoicing the company every time a car is the operator sends a monthly secount to the company concerned. This can be of con-siderable benefit as well to businessmen who, during a month, reot cars in different countries and in different currencies.

Avis, which operates suco a central billing system, offers the own credit cards, to encourage offered by Budget are special the right system of payment for facility only to companies customer loyalty for one parrather than individuals. When personal charge cards are allocated to employees by a comgreat deal of brand loyalty is then invoiced either directly

cash," admitted an executive account is sent to the company

Avis says that corporate oilling programmes generally carry tal operators, have geared their a minimum discount of 10 perinvoicing system towards billing cent, aithough higher discounts companies direct. Even private can be arranged for customers providing a higher volume of

Direct billing caters for the husinessman who does not rent Smaller, locally-based com- cars very often. The rental outlet sends an invoice without delay to the address on the

mediately because it is not a credit card.

Most rental companies will accept the major credit cards, such as Barclaycard, Access, American Express, and Dinters schemes. These were intially chised outlets. introduced, as with retailers'

bility and convenience rather than a brand image—and the allowing rival operators' credit account number 02 a car remain cards to be used for payment, outlet. Avis's own credit card, for example, can be used in Hertz

outlets, and tice versa. One of the major changes in the past few years among the business sector of the car bire market has been the efforts by Eudget Rent-2-Car to attract corporate customers. charge cards. If the customer rents a car in France, he gets an invoice computed in francs but which can be paid in sterling operation. This has enabled it with direct charge card billing Avis points out that the customer is expected to pay immediately because it is not a local or paration. This has enabled it to secure the lower cost of operations of a local car hire company but retain the advantages of a national operation. and identity.

Vouchers

Budget attempted to attract business customers through the introduc-tion of s special "Corp rate" Club. But the majors also tion of s special "Corp rate" operate their own credit card for companies among its fran-

Among the payment systems But can be used by an employee for

"THE LAST thing we want is pany, they bear the name and among car hire users—most or as part of its central billion for our customers to pay by address of the company and the customers seem to want relia
Another feature is the master of the company and the customers seem to want reliaaccount card, which involves the hiring company giving ind car operators themselves have vidual clearance in cases where undermined the scheme by an employee quoies the masses

Budget also offers pay on return cards, which authorise the holder to rent 3 car from a Budget office without leaving a deposit. He then pays when he returns the card, and reclaims the money from his

company. A substantial proportion of business and private car hire is agents. receive a discount of up to 26 per cent from the operator for attracting the business, although the rental companies appear reluctant to meet demands for higher discounts since this reduces their profitability. The rental companies, however, are therefore in a difficult position since they business need the volume of business generated through travel agents. Tha main piece of advice for both private and business car rentera on costs, therefore, seems to be to shop around for your purposes, and the best

David Churchill



Avis offers its own credit card for company customers as do other hire companies, but the original hope that such schemes would encourage brand loyalty has been undermined by allowing the cards to be used to pay for cars hired from rival operators

Car makers woo rental groups with enthusiasm

this and of the market, as CAR RENTAL companies are vehicle a thorough trial without rental companies bave to face. liability. opposed to owning, can be a no mean force in the car purther burden of a saleman sitting. That is the cost of purchase and very sensible option.

Chase and second-hand car alongside. A rented car is often, the prospective receipts on assess we assess we have the prospective receipts on a second receipts on the prospective receipts on a second receipts on the prospective receipts of the prospective "But for us, there has de-veloped an apparent polarisa-tion for demand between the luxury cars and the 2000 cc and below models. Benefit and are supersonable and in Britain alone Kenning and the supersonable and in Britain alone Kenning test.

and alongside. A rented car is often, the prospective receipts on a considerable influence on resale. Traditionally, car rental futuer car purchases even if companies operate on three the prima intention is not to basic systems of maintaining test. Car Hire's total rental fleet of BL vehicles tops five figures.

It is no wonder therefore that the rental groups are wooed with some enthusiasm by the car makers, and it is not only thanks of bie size of the basic order. Many car owners, planning to make a new purchase, Lisa Wood rent cars that they are thinking of buying in order to give the

Without question it is Ford cars which dominate the British domestic car rental scene with Hertz Avis and Godfrey Davis all using them. Budget and Kenning are the two major users of BL vehicles, Thrifty and Europear use large numbers

> halls can be found in some numbers in Hertz and Avis fleets to back up their Fords. hackbone of the Avis fleet, but the Talhot name does not feature strongly these days. Two factors are important to ing its fleet for the forthcoming season — consumer popularity and the ease and cost of

of Renaults (Europear is a

Renault subsidiary) and Vaux-

There is little doubt that Ford's success in the first category has belped it enormously. The average Ford car is an unsophisticated beast but in the words of the legendary Fleet Street drama critic, it will run and run." Its conventionally placed mechanics make it relatively simple to service (gearbox access is one of the complaints about transverse engines) and fairly inexpensive. Simplicity always appeals to rental companies—which is wby so many of them loved the old Hillman Hunters—and innovation is always looked upon with

doubts and suspicion. rental apparently we tend to be conservative too. While our eyes may glisten as the amazing intricacies of a Porsche or Ferrari, when it comes to rental we go for something which has no more knobs than we can handle and as few potantial irritants under the bonnat as

another key problem the car sales asset rather than a sales

their car fleets. These are the direct purchase and sale of vehicles, the acquisition of cars on a guaranteed repurchase hasis, and leasing. The particu-lar mix will depend on bow the

company sees the market deve-

loping over the year. Thus in periods when a rental group thinks that autumn second-hand car prices will be high and that new cars in the spring are underpriced, it will bny a bigh percentage of its fleet. If it foresees a low second-band market it might endeavour to ensure that others take the financial risk. High interest rates, oil crises which provoke a sudden rush for small vehicles, and industrial disputes all make the annual decision on

what the corporate strategy should be that much more difficult. Decision

If a wrong decision is made the costs can be very high. A miscalculation of only £50 on the average amount receivable for second-band vehicles in a fleet of, say, 10,000 cars can make quite a dent in profits.

It is normal these days for the car rental companies to dispoae of their vehicles within the trade. Some companies do sell their used vehicles direct to the public—and a rental car bas usually been superbly main-tained—but no one seems to Maybe it is a criticism of us make any great song and dance motorists but when it comes to about this facility. Hertz pulled out of the direct sales market some time ago when it found that more staff were involved in the sales process than could be justified by the additional profits received as a result of cut-ting out the trade sales system. bas an established car seiling aide of its activities then the But hidden in the formula is rental fleet becomes, of course, a

assess what impact the rental companies have on the secondhand car business. However, they must be the major source-of aupply of such vehicles as Cortinaa, Granadas, Fiestas and VW batchbacks. each autumn. Buy anv of these (one year old or less) vehicles from a garage in the antumn and there is a good chance it will bave been a summer rental fleet car.

As with most other aspects of the business no one is particularly keen to start speculating on the condition of the market eight or nine months hence. Nonetheless speculation will have to be made over the next few weeks as decisions are taken on the sizes and mixes of summer fleets. One of the problems the companies face is that people tend to rent slightly larger cars than they in fact wish, or are able, to own personally. Thus while running costs and fuel prices may tend to make the average family motorist look to the smallest cars in the market (the Group A's in rental parlance) when they rent they might instead look to groups B and C.

When rental companies have reckoned that oil crises would make everyone rush for tiny vehicles they have been proved slightly wrong—there has been a trend rather than a rush. When petrol stations are closed it is the range of the car that counts rather than the miles it actually does to the gallon.

Oddly enough one end of the market which is still healthy is the luxury rental business. Rolls-Royce, Daimler, Jaguar and Mercedes will all benefit from rental group purceses this year. It is the old matter of wishing to impress. When you are trying to show a rival; or a buyer that things are going well, you park your Maxi around the Where a rental company already bas an established car selling psychology of car rental is another story altogether.

Arthur Sandles



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Stockpile signed

Carter Festerday signed the Stocknife Bill, authorising the site of 35,000 long tons of tin and 312 Carats of industrial diamonds. The Bill also authorises the Fresident to constitutions to \$600 long to constitutions. tribute up to 5,000 long tons of in to the buffer stock estab-lished under the fifth Interenstional Tin Agreement, reports

The General Services Administration is still finalising details of how the sales of stockpile tin are to be handled. The plan is to sell 10,000 tonnes annually over the next three years. But consultations are to be held first gith the International Tin ruption of the world market

At the same time the U.S. will also have to negotiate with the Tin Council about the details of its voluntary contri-bution to the buffer stock Article 43 of the Tin Agreement states that any member wishing to make contribution of noncommercial stockpile tin to the buffer stock must first consult the Tin Council about how it is to be done. Disagreement is fikely to rise over whether the tin contribution should be based on the prevailing floor price (\$18-1,500 a picul) or the current market price, which was SM 2,111 a pieni in Penang on

Tuesday night
The next meeting of the international Tin Conncil is due to be held on January 15-18 when no doubt the question of stockpile tin disposals will be high on the agenda. So too will be the producer countries' demand for a rise in the Agreement's price range, even though the Council's special Economic and Price Review Panel meeting. last mouth disagreed on the

necessity for an increase.

The Stockpile Bill, signed by
President Carter, authorises the acquisition of \$237m worth of strategic and critical materials at present below the stockpile targets. These include copper and other base metals.

China metal output up

PEKING — China produced 12 per cent more copper, aluminium lead thic and four other non-ferrous metals in

Base metals rise as silver soars

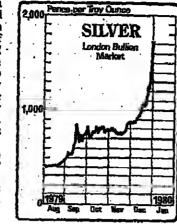
BY JOHN EDWARDS, COMMODITIES EDITOR

THE SPECTACULAR rises in gold, silver and platinum and the troubled political situation in the Middle East triggered off a general upsurge in hase metal prices yesterday. Copper cash wirebars jumped by £53 to £1,047.5 a tonne; cash lead by £24 to £533 a tonne; cash zinc by £16 to £345; and cash tin by £80 to £7,490 a tonne. Aluminium and nickel futures

rose sharply as well.

Copper's rise took it to the highest level since the end of October. In the U.S. several producers announced increases in their domestic selling prices to between \$1.10 to \$1.12 a lh. Asarco raised its price twice during the day, first by four cents to \$1.10 and then by a further two cents to \$1.12.

Tin shrugged off the news that President Carter had finally signed the stockpile disposal Bill and instead followed the npward trend in Penang where the market rallied strongly after its fall from the all-time peak of \$M2,138 a picul reached last week. Lead and ziec recovered strongly too after the setbacks last week. However the star performers were undonhtedly silver and platinum. The hullion spot price for silver at the morning fixing was raised by 346.85p to a record 1.798.7p a troy ounce. But prices eased hack in later trading on profit-taking sales to close below



soared higher following the trend in gold and silver. The London market price was marked up by £26.85 to £334.80 a troy ounce, while the dollar quotation rose to \$750. Renter reported from Washington that the Commodity Futures Trading Commission

amendments to the platinum (CFTC) said it is considering

futures contract on the New York Mercantile Exchange. The changes would make second pletinum grade eligible for delivery. One would be referred to as the 99.5 contract with minimum specifications of 99.8 per cent pure platinum and pletinum metals with a minimum of 99.5 per cent pure platinum. The second would be \$1,700 an ounce for cash silver known as the 99.9 contract which on the London Metal Exchange. would require delivery of 99.9 Free market platinum values per cent pure platinum.

Call for higher producer price for Ghana cocoa

ABIDJAN - Experts at an industry. economic symposium at Lego. has called for an increase in

Ghara Government pay at least 50 per cent of the world price in local currency.

The experts meeting at the

University of Ghana, warned that lack of protection policy, 1979 than the transport year lundequate input, inefficient control pests, but the average the New Chine New agency extension service and supply of insecticides was not inadequate control of diseases more than 250,000 gallons a actual production agency. were factors contributing to the year.
decline of Ghana's cocoa Reuter

Most of the cocoa trees in the

experts said.

country had grown beyond their (figure) present producer price productive span, and the farms for rocca of 120 cedis a headload needed to be rehabilitated and (66 h).

The panel agreed the prices were only 2m acres of good The panel agreed the prices should be increased as an incentive to farmers. They said Brazil about 800,000 diseased cocoa paid about 80 per cent of the world market price to its farmers and suggested the figure of the panel said. There were only 2m acres of good cocoa paid about 800,000 diseased cocoa paid about 800,000 diseased cocoa paid about 800,000 diseased cocoa farmers which should be felled within five years. taken, Ghana could quickly restore its cocoa production, the

> The panelists said the country required hetween 1.5m and 2m gallons of insecticides to control pests, but the average supply of insecticides was not

Embargo threat hits sugar

By Our Commodities Staff ANXIETY OVER the possi-bility of a U.S. trade embargo against the Soviet Union prompted a sharp downturn in the world sugar market yesterday.

Soviet buying has been an important factor in the recent sugar price upsurge and reports of new purchases encouraged a further npsurge yesterday morning, lifting the May position on the London futures market to £187.75 a tonne at one stage.

But the deterioration in U.S. Soviet relations 25 a result of the latter's activities in Afghanistan led to fears that trade between the two countries could be halted leaving large amounts of angar currently car-marked for shipment to the USSR to be absorbed onto the world

market. The resulting downturn was accelerated by the operation of "stop-loss" selling orders and by the close May delivery sugar was quoted £3.20 down at £181.625 a

In Bonn, meanwhile, the West German Sngar Industry Association said sugar produc-tion rose to 2.82m tonnes in the 1979-80 campaign just ended from 2.74m in the previous season, reports Renter. The volume of beet processed was 18.47m tonnes compared with 18.84m and the angar content at the cutting machines was 17.13 per cent against 16.5 per cent.

Sugar output comprised 2.46m tonnes of white sugar, compared with 2.31m tonnes, and nearly 358,000 tonnes of raw sugar against just over 430,000.

Mexico delays oil price rise

MEXICO CITY — Mexico's notional oil company, Pemex, has delayed announcement of an oil price increase until later this week, a spokesman

Mexico, which is not a member of the Organisation of Petroleum Exporting Countries (OPEC), normally revises its oil prices every

fexico does not sell its oil on the world spot oil market, but instead negotiates long-term contracts with its customers every quarter. Pemex crude normally sells at the same price as, or for more than, the official OPEC price.

SNOWDONIA EXPERIMENT

Reconciling farmer and tourist

BY CHRISTOPHER PARKES

HARD-HEADED farmers have tourism to the hard-pressed and hreakfast a poying proposition. natural colour of the mountains never had much time for soft, thinning ranks of farmers in the living townies. Least of all in area.

At Taly-Waun Farm, near and bestblaod, Every effort is Dolgellau, for example, the heing made to discourage Snowdonia, where the average farmer has a tough enough life control of Mr. Vernon Davies, a trail on his 80-hectare holding. the scenery. Farmers have shepherding his wayward, bilingual local officer from the His farm was not big enough to been given paint to dress up spring-beeled Welsh Mountain Notional Park, quickly found provide an adequate living, and their more unsightly buildings sheep without having to contend that the key to most of the he had to make ends meet by ond fencing materials to protect with the problems brought by millions of family trippers who yearly exercise their "right" to rampage over the grazings, trailing beer cans and sandwich wrappers, and leaving damaged gates and tumbled walls in their

A receot experiment in the area has shown that the interests of the two groups are not wholly irreconcilable. Started tentatively in 1969

and concluded in 1978, the Countryside Commission's upland management experiment in the region has produced significant changes in farmers' attitudes to the visitors and belped improve control of tripper traffic. It has also greatly eased the ill-feeling towards the National Park authorities which bad hitherto heen viewed by farmers as solely interested in the welfare of seekers after beauty spots. . With the groundwork com-plete, the National Park has oow

taken on the responsibility of continuing the schemes which led to these successes and which in time may regerse the processes which have been destroying some of the most treasured and best-loved landscapes in Britain.

There is also a plan for a new group to devise means of bring-ing more direct profits from

access.

height of the summer season there are more than 100,000 visitors in the Snowdonia National Park, and in an average year more than 9m visitor/days are spent there by people rambling, picknicking, beauty-spotting, climbing, and

Established pathways, few in number, were eroded and in poor repair. Lack of main-tenance, beavy use and water erosion were found to have reduced many paths to ankle-twicting hedrock and muddied twisting bedrock, and muddled stretches tended to divert walkers to make detours across grazings.

Simple bridges

The Commission, using contractors, farmers themselves and volunteers made good these worn tracks, installing a wide variety of stiles, kissing gates and simple bridges.

In other areas techniques for bandling sheep were applied subtly to stop people from straying and taking short-cuts. The experiment also un-covered ways for farmers to boost their meagre earnings, particularly for those without the facilities to make bed-and- jars the profile, texture and

Aided by labour found by the Commission and modest funds, be laid a small car park, improved paths, planted trees, set np way-markers and built a picnic plot to complete the basic "trail."

With some help from the Ministry of Agriculture the farmer wrote a booklet for sale explaining the farming methods. landscape and wildlife. In 1977, when the trail was opened, the farm had 2,000 visitors. In 1978 a tally of 5,000 trippers so pleased the farmer and his he)pers that more funds and assistance were offered for further improvements. They now plan a small "interpreta-tioo" centre an enclosure cenire, an enclosure where visitors can get a close look at livestock, shelter from

stand. The lessons learned at Tal-y-Waun are now being applied on other special attractions.

the weather, and a refreshments

other farms with "views" and Throughout all the developments the greatest stress has been laid on maintaining and improving the landscape.

Nothing must be built which

The experimenters, under the farmer decided to set up a farm vandalism and disfigurement of problems in the test area was driving a school bus and shear- copses and small areas of wooding his neighbours' sheep. The land from their stock: Wells On the busiest days at the experimenters were eager to have been rebuilt, capping stones "borrowed" for campfires replaced, and farmers' stand-by fencing materiols-ranging from corrugated roof sheets to old hedsteads-are

being removed. Farm litter

It was found that litter attracted more litter. Agricul-tural clutter-old feed bags, redundant machinery and rusty ironwork-tended to tempt visitors to add their junk to the heaps. Again farmers are being encouraged and belped to tidy up their land.

While some of our cities, rivers, canals and even some beauty spots are perhaps irretrievably drifting towards dere-liction, the threat of Snowdonia developing into an upland slum has been detected in time. A relationship has started to deve-lop between the farmers, the official guardians of the national heirtage and the urban masses which could lead to the danger being averted.

The Snowdonia Upland Management Experiment, £3; Coun-1ruside Commission, John Dower House, Creacent Place, Cheltenham, Glos. GL50 3RA.

Milk consumption fall continues

BY RICHARD MOONEY

CONFIRMATION OF the continuing decline in UK liquid milk consumption was provided yesterday when the latest Ministry of Agriculture figures were published. Total consumption in the

July-September 1979 period was provisionally estimated at 1,801m litres compared with 1,835m in the second quarter and 1,842m in the corresponding period of 1978. At the same time, however,

total sales of farms continued to rise. Provisional Ministry figures

decline in consumption is seen as a direct result of the 14p a pint retail price rise imposed in June, following which an initial 3 per cent fall in consumption was recorded. The retail milk price is due to rise by another 11p to 161p a pint on February 17.

in the use of milk by mannfacturers. Butter making took 26m put third quarter 1979 sales at litres more at 817m litres, while consumption in-shell 3,692m litres against 3,673m in the cheese makers used an extra 146,000 boxes to 9,538,000.

the same quarter a year earlier. 28m litres at 580m. Milk powder The 2.2 per cent year-on-year manufacturers consumed 3m ecline in consumption is seen less while condensed milk and cream accounted for an extra 4m litres and 3m litres respectively.

The Ministry also published July-September figures for UK egg supplies, Output for human consumption totalled 9,955,000 The rise in milk production boxes 30 dozen each) 150,000 and decline in consumption was less than a year earlier. But balanced by a 59m litre increase after allowance for imports and exports, farmhouse usage and processing supplies available for

Sweden raises ore prices

STOCKHOLM—Sweden is this year charging West German steelmakers around 30 per cent more per tonne in dollars for deliveries of low phosphoric iron ore after a 12 per cent export price increase in dollar terms for 1979, AB Malmexport has said.

Malmexport said the deal with Germany should set the pattern for price agreements with other customers. Germany and Belgium are Sweden's most important ore clients. Price agreements for other ore qualities such as high phosphoric finds, pellets and run of mine ore remain to be struck. Total ore exports this year should be little changed at 25m

BRITISH COMMODITY MARKETS

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.P=Put

O=Call

Turnover 28,850 tonnes.

Amelgemented Metal Trading reported performence of copper. Forward metal 1,900 (3,700-4,000c) and touched an opened at 1,280 and moved up to the color of the colo

539 +29 57.59 +27 57.59 +27

18. 17. 19.

ZINC—Moved ahead in line with the sherp gains in other base-matels and precious metals. Forward metal started the day at £348 and gradually rose to clase the late karb at £358. Turnover 2,725 tonnes.

\$ 2 2 545.4 \$ 14.5 \$ 344.5 \$ 19.5 \$ 356.7 \$ 11.7 \$ 359.60 \$ 12.5 Morning: Three months £359, 58, 57. Afternoon: Cash £345, three months £359, 60, 58, 59, 50. Kerb: Three manths £358, 59,

Spot 867-9 +25.5 890-5 +55 3 months 869-70 +23 877-8 +51 ALUMINIUM Firmer with good demand for cash material lifting three menths from 2850 to a day's high of 2850 befars a close on the late karb of 2875. Tumovar 5,675 tannes.

official - Unofficial -

2800-10 +57.5 2830-40 +87.5 Spot 2800-10 |+57.5| 2860-90 |+87.5 3 months, 2890-5 |+67.5| 2920-5 |+87.5

Morning: Cash £2,790, 85, 2,800, three months £2,880, 2,900, 2,885, Aframoon: Three months £2,900, 10, 20, £2,925, 10.

* Cents per pound. \$500 per picul.

† On previous unofficial close.

movement in the London buillen market yestanday to be fixed at 1,783.7p en ounce, a rise of 346.85p ar nearly 24 per cent from Monday. U.S. cent 105.00-104.80, Sapt. 58.10-93.10, Nov. 101.50-101.50. Salast 177 lots of 100 squivalents of the fixing levels were: Spot 3,985.0c, op 775.00c; three-month 4,079.2c, up 792.7c; his month 4,157.5c, uo 816.30c; and 12-month 4,283.8c, up 101.50-101.50. Sapt. 54.90-94.75. Nov. ns 1rade, Salest 167 lots of 100 tonnes.

SILVER Euillon + or L.M.E. + or per lixing p.m. troy oz. price Unoffici'l

Spot....... 1793,70p +846 1893,5p +281 5 months 1683,70p +868 1742,5p +271 6 months 1898,70p +872 12months 1969,70p +387 LME—Turnover 145 (160) lots of 10,000 ozs. Moming: Cash 1,790, 80, 7hree months 1,770, 75, 80, 85, 95, 1,900 1,789, 1,800, 40, 30, 35, 40, 38, 25, Kerbs: Three months 1,820, 1,800, 10, Atternoon: Three months 1,750, 75, 70, 50, 55, 50, 42. Kerbs: Three manths 1,740, 30, 40.

COCOA

Cocos futures were easier through-out the day as continued commission out the day as continued commission hause liquidation pushed prices £25-£30 lower than Monday's close. Praducers remained withdrawn from the market although increased offtake among concurrens was reported for both bases and butter. A Echie errival figure of 92,600 and a stronger starling aided the bastish earniment, reparted Gill and Ouffus.

ACCOO Dec. 1418-20 -28.5 1470-18
March 1425-26 -28.0 1473-96
May 1435-36 -99.5 1428-35
July 1458-37 -24.5 1497-54
Sep 1480-85 -25.0 1505-1490
Dec. 1500-10 -21.5 1810
March 1515-35

Seles: 4.184 (2,104) lats af 10 tonnaa. International Cocca Organisation (U.S. cents per pound): Oelly prica Oec. 31 141.89 (144.02); Indicator prica Jan. 2: 15-day average 144.87 (144.86); 22-day average 144.56 (144.68).

COFFEE

Rebustes apened stronger than expected with gains of up to £35 but further pressure an Janeary saw values £20 -off the highe tro mwhare the 20 of the highe for mwhere the merket drifted lower, reported Oraxel Burnham Lembert. The alternoon nameined quiet in week dealings meking naw lows towerds the late seasion and closing around unchanged from Mondey.

COFFEE Close + or Business January.... 1590-93 +4.5 1630-1883
March... 1580-83 -4.0 1515-1877
May 1563-68 +6.0 1604-1667
July 1585-53 -7.0 1600-1357
Sept... 1847-56 -11.0 1567
Nov... 1341-49 +2.5
January... 1597-49 +13.0

Sales: 3,117 (5,178) lots of 5 tonnes. GRAINS

IMPORTED—Wheat: CWRS No. 1, 13², par cent, unquoted. U.S. Dark Northern Spring No. 2: 14 per cent, Jan. 104.25, Feb. 105.75, March 107.25 transhipment East Coast. U.S. Hard Wister, 132 per cent, Feb. 105, March Wister, 13-2 per cent, Feb. 105, March 106 transhipment East Coast. EEC un-quotad. Maize: U.S./French Jan. 118, Feb. 121 transhipment East Coast. French Jan. 117, Feb. 118 East Coast. S. African White unquoted. S. African Yellow Jan. 82. Barley: English Feed fob Jan. 38, Jan.-March 39.50, April-June 104,75 East Coast.

WHEAT |Yest'rdays + or | Monday's + or | close | -Jan... 96,49 +0.40 93,15 Mar. 100,49 +0.15 97,30 May. 104,80 +0.20 101,50 Sept 97,95 94,75 Nov... 101,55 98,35

RUBBER

The London physical market opened steadier with good terminal interest throughout the day closing on a quiet note. Lewis and Peat reported a note. Lewis and Peat reported a Maleysian godown price of 288 (295.5) ceots a kg (buyar, January).

No. 1 Yest'rdays Previous Business Close Close Done Feb.88.85-78.50 88.50-88.60 Jan.Mar/55.50-71.06 58.39.98.78 76.36-71.66 Jly.-Sept74.15-74.50 76.18-78.25 74.55-74.00 Oct. Dec? 16.36-78.40 75.49-78.45 78.60-78.25 Jan.-Mar/78.66-78.75 77.80-77.85 Apr.-Jps.39.98.10 88.30-88.55 91.20-82.10 Jly.-Sept85.50-88.55 82.78-82.89 86.60-83.00 Oct. Dec 86.83-85 60 64.85-46.85 65.40

Seles: 387 (335) at 15 tonnes.
Physical closing prices (buyer) were:
Spot 68.75p (97.50p); Feb. 68.50p
(67.75p); Merch 69.50p (68.75p). SOYABEAN MEAL

The market opened with losses of 50p to 51 on lang liquidation and technical selling, reported T. G. Roddick. Prices continued to climb despite goad commarcial selling and finished an the lows with losses of £1-£2.50.

Sales: 115 (24) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw suger): E179.00 (same) a tonne cil far Jan.-Fab. shipment. White sugar dally prica was £193.00 (£194.50).

The market opened some 150 petess above re-holiday levets as buying interest was scimulated by the now record prices peid for precious metals, and further gains at some 100 points were recorded during the morning. Later, however, the New Yark market was aggressively sold off and erbitrage selling in Landon caused prices to fall hesvily with losses of over 800 points occurring by the close when quantations touched the lows at the day before recovering amewhat, reported C. Czernikow.

Sugar Previous Susiness Comm. Close Glose Done £ per tonne

March . 186.25-84.40 184.40-84.25 167.25-78.00 May 161.56-61.75 184.70-84.80 187.75-81.25 Aug 181.25-81.88 185.10-85.40 188.75-81.25 Oct 181.60-81.26 188.70-85.25 186-30-81.08 Sales: 4,794 (2,179) lots of 60 tonnes.
Tate and Lyle ex-refinery price for granulated basis white engar was £304.95 (same) a tonne for borns trade and £258.50 for export.

NUMBER 4 CONTRACT—Closs (in arriver butter collect only). arder buyer, seller only). May 190.50, 181.25; Aug. 179.25, 181.00; Der. 180.75, 180.90; Jan. 181.00, 184.00; March 182.50, 183.50; May 183.50, 184.00. Seles

COTTON

BARLEY

LIVERPOOL—Spot and shipment sales amounted to 220 tonnes, that being the total for the week so fer. Support was again forthcoming in North American qualries, and lutther purchases took piace an isrwerd eccount. WOOL FUTURES

8YDNEY GREASY WOOL—Close (in order buyer, sallar, business, seles). Australien cants per pound. Micron contract: Merch 448.0, 490.0, 448.0, 447.0, 30; May 487.5, 489.0, 488.0, 484.5, 105; July 478.0, 480.0, 480.0, 474.0, 103; Det. 477.0, 477.0, 477.0, 477.0, 19; nac. 475.0, 476.0, 478.0

Metals Aluminium£760;70 Free Mkt (es) 91760;1800 Platin'mtr'y cz | 2195.0 | 2175.5 | Froe mkt. | 2334.80 | +26.65 | 2249.5 | Quickell'ver. | 2575/520. | 56/659 | 200 | 2 months | 1845.70p | +668.6914.65p Oils conut (Phil), \$875r +6 +5 5610 Grains Barley Futures 297.50 nch Nosam £119 -1 Other

| Commodities | Cooca ship. | 21,480 | -27,521,657 | CoffeeF't'nMar \$1,485,9 | 4 | 21,717 | Cotton Aindex(85,85c | 1,256,80c | 5,25c | 1,256,80c | 1,2 * Nominal. † New crop. ‡ Unquoted. r.Jan./Feb. a Feb. z Indicator. § Guyer.

474.0, 36 Merch 478.0, 480.0, 478.0-478.0. B: May 478.0, 480.0, 480.0-480.0, 1 July 475.0, 482.0, entraded. Sales 302.

LORDON GREASY WOOL—Close (in order buyer, saller only). Pence per pound: March, May, July, Oct., Dac., Merch, May, Jaly ell 232.0, 242.0. NEW ZEALAND CROSSBREDS-Close (in order buyer, seller only): March, May, July, Oct., Osc., March, May, July, 2il 188.0, 198.0. MEAT/VEGETABLES

SMITHFIELD—pende per pound— Beet: Scotch killed sides 55.0-70.0, Ere Hd. qure, 82.0-84.0, F. qurs, 47.0-49.0. Lambe English Smell 98.0-88.0, Medium 56.0-64.0, Heavy 46.0-58.0, Scotch Medium 50.0-80.0, Heavy 44.0-56.0, Imparted Frozen—N.Z. Pl. 51.0-82.0. Pork: English, under 100 16 41.0-87.0-10-120 ib 40.0-48.0 120.167.0 ib 50.0, 100-120 lb 40.0-49.0, 120-160 lb 39.0-48.0. COVENT GARDEN—Prices in starting

per packags except where otherwise stated: Imported Produce: Dranges-Spenia: Mavel/Nevelines 3.60-4.20; Jaffs: Nevels/ Shamoutle 50/1898 2.30.5.25; Greek: 2.80-3.20; Moroccan: 4.20-5.25; Greek: 2.80-3.20; Moroccan: 4.20-4.40; Egyptian; 2.50-2.90. Satsumas—Spenia: 95/193s 3.40-4.00. Ctementines —Moroccan: 2.7a 3.20-4.00; Cyprus: 126/162 3.20-3.60; Coralcan: 2.50-3.30. Lanons—Italian: 100/150s, 5.00-5.30; Cyprus: 11-kg 84/120 3.80-5.20; 5-kg 45/55 2.20-2.50. Grapefruit—Cyprus: 2.80-3.40; 20-kg 4.00-4.60; Jaffe: 2.50-3.00; Flarkin: Pink Seeb 36/48s 6.00-6.20. Sours/Sittars—Seville: apptox. 20-kg 4.70-4.80; Apples—French: Golden Oeliclous, boxes 40-lb 133/175 3.80-4.80; 20-lb 72/84s 2.40-3.00. 40-lb 125/175 4.50-5.40. Starkcrimson, approx. 20-lb 72s 2.60, 40-lb 5.60-6.30; Hungarian: Starking 40-lb 128s 5.80; Canadlan: Red Oaliclous 60-lb 2.00-10.00; Italian: Granny Smith 20-lb, par

AMERICAN MARKETS

NEW YORK, January 2.

GOLD ANO silver prices finished limit up with many orders not filled. Copper also benefited from the unsettled international alteration and finished limit up. Sugar has traded charply lower still in antilopation of lerger ISA quatas is ba declered in London this week. Trede salling and comission house logundation brought prices for cares and cacoo sharply lower. Cottan continued its recent advances an steady trade buying. Greins and soyebeans weakened towards the end of the trading day and ell finished lower extept near-by soyabeans an rumous that the U.S. Government is actively considering suspannian of grain sylvers to the USSR. The livestock campiex rebounded strengly an anticloetian of a seasonal recovery in demand, Halnold taparted.

Copper—Jen. 109.50-110.00 (103.50). Feb. 108.40 (104.40). March 110.20. May 109.75. July 109.75. Sept. 109.60. Osc. 110.50, Jan. 110.80, March 111.50. May 112.00, July 112.50, Sept. 113.00.

May 109.75, July 109.75. Sept. 103.60, Osc. 110.50, Jan. 110.80, March 111.50, May 112.00, July 112.50, Sept. 113.00.

Potatoes (mund whites)—March 52.8
(62.3), April 69.9 (68.5), May 79.4-79.5, 25.70, March 26.75, July 24.80-24.85, Aug. 20.25, April 69.9 (62.3), April 69.9 (68.5), May 79.4-79.5, 25.70, Sept. 25.15-24.12 (24.19), May 24.45-24.55, July 24.80-24.85, Aug. 20.25, Sept. 25.15-25.0, Oct. 25.70-25.80, March 25.70-25.8

EUROPEAN MARKETS

Wheat—U.S. Two Oark Hard Winter wheat 19.5 per cent Feb. S216, March S218, U.S. Hard Winter wheat ordinary unquated, U.S. Na. Twa Red Winter wheat Feb. S200, March S202, U.S. Na. Two Northern Spring wheat 14 per cent Jen. S213, Feb. S217.50, March S220, April March March Line S206, March S220, March S200, March S2

INDICES FINANCIAL TIMES

Dec. 31 Dec. 28 M'nth ago Year ago - 1299.9 1205.9 978.4

(December 31, 1931-100)

affest \$252. Oct. \$250 (taded, alloat \$3, Occ. \$251, Jan.-March \$246. April-\$6, \$251, Jan.-March \$246. April-\$6, \$251, Sept. \$6, \$251 Pellets Occ. \$753, Feb. \$259.50. March \$247. April-May \$346, April-Sept. \$251 sellers. Jen. \$213, Feb. \$217.50. March \$220, April-May, May-June \$205. March \$205. March \$263, Feb. \$253.50. March \$264. April-Sept. \$253.50. April-June \$145.50. April-June \$145.50. April-June \$145.50. April-June \$145.50. April-June \$145.50. March \$265. April-Sept. \$251. June \$255. June \$265. June \$265. April-Sept. \$251. June \$265. April-Sept. \$265. April

\$297.75, Sept. \$298.50, Oct. \$300, Nov. \$299, Oac. 304.50, Brezil Yallow faç unouated. Argenilloc May \$281.50, Juna \$324.25, July \$285.25. August \$288

sellers.
Soyamesh—44 per cent presoin U.S.

DOW JONES

Dec 31Dec. 28M'nth agolyear ago 29.513 301.09 297.92 957.69 (Base: July 1, 1952-100)

Spot ... 419,13 421 93 419.87 554.71 Ftur s423.05 426.69 426.87 383,58 (Average 1924-25-26=100) REUTERS Jan. 9 'Dec. 51 M'nth ago Year ago

1710.6 1701.2 1705.1 1492.0

(Basa: September 18, 1931 = 100)

Jumba 0.50. Filberts-Por sound 0.33

pound 0.10. Peaches—S. African: 25/ 25/28s 3.20-3.60. Grapes—Spanish: Almerie 2.80-3.40, Black 3.80; Cali-Amerie 2.80-3.40, Black 3.80; Californien: Rad Emperor, per pound 0.55. Barnanas—Jamaican; Par 28-lb 4.80. Avocados—Canery: 5.00; Igraeli: 4.00-4.40. Melons—Spanish: Green 5.00, 15-kg Green 8/15e 12.00. Pincapples—Ivory Coaes: Each 0.40-1.00. Onions—Spanish: 5.50-6.00; Dutch: 2.79-2.80. Tomathes—Spanish: 4.00-5.00; Canary: 4.00-5.00. Cucumbors—Canary: 10/16s 3.60-4.00; Spanish; 2.50; Greek: 2.00. Canary: Parary: 0.35: 3.60-4.00; Spanish; 2.50; Greek: 2.00.
Capsicums—Per pound Canary: 0.35; Ethiopian; 0.35. Cauliffawers—French: 24s 8.00; Jamey: 7.50. Potatoos—Halian: 90x8s 20-16 2.80. Dates—Tunisian: 30x8s per box 0.56-0.42: Californian: Per pound 6.32-0.31.
Walnuts—Chinase: Per pound. dry 30 mm 0.32-0.33; Californian: Per paund

0.40. Brazile—EWM por pound 0.24-0.26, Mcdium 0.20-0.22. Pocan Nuts— Per pound 0.65.
English Produce: Fotalocs—For bag 2,40-3.20. Lettuce—For 12, tound 2.20-2.40. Mushrooms—Fer pound 0.56-0.70. 240. Mushrooms—Per pound 0.50-0 70. Apples—Par pound Bramlay 0.08-0.15, Russets 0.10-0.12, Laxtons 0.07-0.09, Spartons 0.11-0.12, Pears—Per pound Contarence 0.09-0.14, Comice 0.16-0.18. Swides—Per 25-28-16 0.90-1-0.7 Tumips Parsings—Par 28-th 2.60-2.90. Tumips—Par 38-th 1.20-1.40. Cauliflowers—12s Kant 5.00. Rhubesh—Par paund 0.10-0.12. Cabbages—Per beg 1.52. Cabbages—Per beg 1.52. While cabbage 1.80. Chions—Per bag 2.40-2.80. Carrots—Per bag 1.40-1.60, Scetroots—Per bag 1.39.

FINANCIAL TIMES STOCK INDICES

Currency hedge stocks spurred by leap in gold price Gilts and leading shares overshadowed by steel strike

Account Dealing Dates Options

*First Declara- Last Account Dealings tions Dealings Day Dec. 10 Dec. 20 Dec. 27 Jan. 7 Dec. 28 Jan. 10 Jan. 11 Jan. 21 Jan 14 Jan. 24 Jan 25 Feb. 4 "New time" dealings may take place from 9.30 am two business days

Currency hedge stocks once again dominated stock markets yesterday with the international political scene still soured by events in Afgbanistan and Iran. The start of the national steel strike also adversely affected sentiment in Government stocks and leading industrials, although husiness in both the maio sectors

was below average.
After advancing by over \$300 an ounce during 1979 and having breached the \$500 mark only last Friday, the gold price yesterday leapt a further \$41 to a London record of \$567.50, and the FT Gold Mines index followed with a jump of 19.9 to 288.5—its highest since September 15, 1975. Other mining and energy issues were caught up in the mood with Australian stocks again making

A hroad list of losses reaching, and sometimes exceeding, a full point was registered in Gilt-edged rally developed. The strikehound steel industry caused a further dimming of recent hopes about an early cut in Minimum Lending Rate, a factor which weighed particularly on the short end of

The threat of widespread industrial disruption posed by the steelworkers' action had only a limited effect on equity values in the early dealings. But relatively sharo falls in engineering and alled coocerus likely to he the

first to suffer from a steel short-age gradually spread the gloom and, with potential huyers still electing to stay on the sidelines, falls in FT-quoted industrials finally outnumbered rises by

Overall, losses rarely exceeded a couple of pence, but the FT 30-sbare index took in several falls ranging from 6p to 9p and this measure of the market came back 7.2 to 407.0-only a shade above its 1979 low. Gloomy comment on electronic and contracting prospects undermined sentiment in the sectors, while housebuilders and property issues wilted on lessened optimism about lower interest

Traded options hegan the year more active than of late. A total of 610 contracts were completed, the highest since mid-December. The soon-to-expire January series attracted a useful business and GEC, 157, were well to the fore, while the record gold price resulted in 133 deals being arranged in Cons. Gold Fields. Shares of SASOL, the South

African-based oil concern, were included in the hedging demand for mining and energy stocks and classed 8 up at 159p. Other Recently issued equities were neglected.

Bowring down

LONDON TRADED OPTIONS

January | April | July

News that C. T. Bowring has taken legal action in an attempt to stave off the takeover approach by March and McLennan left Bowring's shares 7 down at 126p. Risewhere. Composites drifted lower on lack of support; Royals receil Union, 135p, and Eagle Cir., 150p, cheapened 3 aniece.

715

3857

the outset, the major clearing hanks eased further on sporadic offerings and lack of support. Barclays fell 12 to 414p as did NatWest, to 338p, while Midland gave up 8 to 332p and Lloyds 6 to 296p. The withdrawal of speculative support prompted a fall of 12 to 120p in Grindlays, and Antony Gibbs declined 4 to 70p on profit-taking shead of further news of the bid approach from Hong Kong and Shanghai Banking. Hambros dipped 6 to Hire Purchases gave ground as hopes of an early fall in interest rates faded; Wagon Finance eased 2 to 32p as did UDT. to 36p.

Demand remained at a low ebb and the leaders drifted a penny or so easier for want of attention. Among regional issues, an investment recommendation helped Morland to a gain of 3 at 90p. inspire Matthew Brown, which eased a couple of pence to 128n. With the excention of Tomatin. 2 up at 194p. Wines and Spirits closed a shade weaker. Arthur Bell declined 2 to 176p, while Distillers gave up a like amount at 192p. Luis Gordon, at 50p, lost of Monday's gain of 6 which followed favourable Press com-

ment. Unsettled by fears of a lengthy spell of high interest rates and special of high interest rates and adverse Press mention, the Building sector made a quietly dull showing. Taylor Woodrow met selling and gave up 11 to 3170, while Costain eased 4 to 128p and Higgs and Hill 2 to 59p. Blue Circle, 238p, and Tarmac, 186p. mentions of the control of the circle, 238p, and Tarmac, 186p. mentions of the circle and the cir 136n, reacted 4 and 2 respect-Smaller-priced issues to ivelv. Gleeson, 33p, and T. Warrington. Against the trend, Burnett Hallamshire gained 10 to

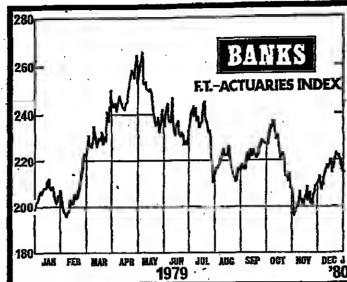
ICI held up relatively well in Chemicals, closing only a peony cheaper at 353p.

Ratners better

With the exception of Ratners, which improved 3 to 48n, Stores displayed an easier hias. Lack of support left Burton "A" 6 lower at 223n and Guerier "A" 2 comple of pence off et 1900 Currys cave up 5 to 15 h, with a line of 3 were con in B, and C. Total Sing MFI Furniture, 70h, and Single Discount, 50h. In

Marked a few pence lower at marked duliness in selective Matthews, 247p, eased 3 spiece, steel strike could prove to be he outset, the major clearing Electrical issues. Additionally Hotels also displayed duliness a drawn-out affair resulted in a affected by adverse comment, Thorn were vulnerable to scattered offering which found the market unwilling; the shares fell to 262p, before staging a late rally to close 6 down on balance at

couple of pence lower at 125p. Miscellaneous mood. Still concerned about the Russian presence in Afghanistan Press GEC finished a similar amount cheaper at 326n. while Plessey gave up 4 to 108p and potential investors were again Car Anctions, 52p, while specula-Racal fell 8 to 175p. Outside of content to sit on the sidelines tive favourite Caffyns rose a the leaders, falls of 6 were and prices drifted lower on lack similar amount to 132p.



strike took its toll on the Engineering leaders, with GRN. 2385, down 9, again particularly vulnerable to selling. Hawker fell 6 to 174p and fails of around 330, and James Neill, 44p. est prompted a gain of 4 to

Leading Foods reflected the and Storia Discount, 50n. In some dissert in the control of the co gineral tone of the market and part up 3 to 107p. A rare firm and was provided by Rownire. The light was provided by Rownire. The light was provided a couple of the couple to 1820. Secondary courters also tended to lower

ור' כ"! Tining Supplies.

recorded in Faruell, 228p, Kode, of support. Metal Box, which 200p, and STC, 236p. Electrocomponents gave up 8 to 430p and a prolonger ateel stoppage, lost could be particularly hard hit by a prolonger ateel stoppage, lost Fears about the possibla repercussions from a prolonged steel strike took its toll and Newall gave np 4 to 121p. Elsewhere, Broken Hill Elsewhere. Proprietary rose 15 more to 610p in further response to an invest ment recommendation, 3 were recorded in John Brown. Dobson Park Industries 51½p, and Vickers, 102p. Tubes bardened 1½ to 93½p for a eased 4 to 252p. Secondary issues similar reason. Up 6 on Monday Industries passed an extremely quiet following the announcement that session, but the trend was to John Baker had acquired a 21 lower levels. Babcock gave up 4 per cent stake in the company, to 980 and APV ended similarly Tebhitt improved further to cheaper at 173p. Brockhouse touch a year's peak of 16p hefore eased 3 to 50 p, while falls of around 2 were marked against halance at 14n. De La Rue came 679 Group, 59p, Birmid Qualcast. Booker McConnell cheapened 10

> similar falls were seen in Bath and Portland. 41p, Hawkins and Tinson, 30p, Hantleigh, 70p, and Stlentnight. 51p. Standing a penny easier at 5p, E.C. Cases the request of the company: a receiver is to be appointed. The Hong Kong-based Steelex Manufacturing were unchanged at 25p following news that the company has sold its 52 per cent stake in its property subsidiary, Mal Hon

Fears that the nationwide

to 2500 and ICL dipped 8 to 450p.

Grimshawe fell 5 to 60p and

with Trusthouse Forte 3 off at duli tone among Motor sectors. 132p and Grand Metropolitan a Distributors generally ended with small falls; Appleyard, 63p, industrial Henlys, 92p, Godfrey Davis, 117p, leaders started the year in a dull and Hartwells, 680 all lost 2

while BSG slipped 1: to 271p. and the start of the steel strike, prompted a gain of 2 in British

Among easier Newspapers News International, 1350, and Daily Mail A. 433p, fell 3 and 7 respectively, while United shed 3 to 350p Elsewhere, profit-taking clipped 3 from William

With interest rates probahly forced to stay at current record levels pending developments in the steel industry disputs, Properties moved lower on lack of huying Land Securities lost 5 to 161n, while Great Portland Estates closed a like amount off at 190p.
Oils traded on an extremely

quiet note and final quotations presented a mixed appearance. Among the leaders, British Petroleum held up well until the late dealings when U.S. in-fluences left the price a few pence easier on the day at 344p. Shell drifted lower to close 6 cheaper at 320p. Elsewhere, Siehens (UKI gave up 12 to 404p, while CCP North Sea lost 7 to 217p and Gas and Oil Arreage 10 to 270p. On the other hand, scattered huying interest lifted Ultramar 4 to 422p and Cluff 10 to 400p.

Contrasting movements among Overseas Traders were provided by Lourho, 3 up at 85p, and S. and W. Berisford, 9 off at 147p. Both companies are due to announce annual results later in

Trusts recorded scattered losses of a penny or so, but M and G Group, in Financials. continued to benefit from Press mention and railied 2 further to Graig, up 30 at 830p, provided

the sole worthwhile movement in Shippings.

Golds surge ahead

Mining markets began the New Year with a hurst of strength as the unprecedented upsurge in precious metal prices led to widespread and heavy demand for Golds, Diamonds, Silver producers and Platinums. Basemetal miners also sttracted a welter of huying as metal prices on the London Metal Exchange registered substantial improve-

A.record \$41 rise in the bullion price to a peak \$567.50 an ounce prompted jobbers to mark up Golds at the outsel. Thereafter, they moved further shead as large buying developed from all international centres, but notably the Continent.

Heavyweights showed rises of up to £3 with "Amgold" that amount up at £37. Gains of £2 and more were seen in Durban Proprietary, £131, and Vaal shares coded 16 up at 80p.

M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone: 01-638 8651

64.81 65.10 65.49 65.45, 65.48 65.46 £8.60: 85.81 55.83 65.99 65.99 66.05 66.02 70.30 Fixed Interest ____ 407.0 414.2, 417.9 414.7 417.5 419.5 474.6 industrial 288.5 268.5, 270.0 276.4, 262.2 256.6 168.0 7.96. 7.84. 7.77. 7.83. 7.79. 7.74. 6.11 Earnings, Yid. % (full) 19.81 19.51 19.35 19.49 19.38 19.27 15.02 P/E Ratio (net) |1"). 6.22 6.31 6.37 6.32 6.35 6.39 8.31 Total bergeins _____14,059 12,564 14,397 8,945 6.926 13,987 Equity turnover Em. - 40.37, 42.53, 39.20, 25,17, 70.66, 39.15 Equity bargains total. — 8,106 6,900 6,911 4,621 10,963 7.712 10 am 412.9. 11 am 411.4. Noon 408.6. 1 pm 408.0. 2 pm 407.6. 3 pm 406.9. Latest Index 01-245 8026. *Nil ≈ 6.00. Basis 100 Govt. 59cs. 15/10/26. Fixed Int. 1928. Incustrial Org. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. S.E. ACTIVITY HIGHS AND LOWS 1979/80 Since Compilatin

High ; Low ! High 64.06 | 150.4 | 60.53 (15/11) |(28/11/47) (5/1/75) 408,3 | 538.5 | 49.4 408.5 | 538.5 | 49.4 | 5 d'y A'vr'ge | (15111) | (415/79) (25/8,40) | Gilt Edged... | 129.9 | 442.5 | 43.5 | Industrials... | 17/4) | (22/8/75) (26/10/71) | Speculative

Reefs, £291. West Driefontein added £1½ at £32½. Western Deep the same amount to £16½. Hartebeest £1½ to £25½ aod Buffels £1; to £143.

In the medium and lower-priced issues, Libanon put on 54 729n, Harmony 110 to 785p, Deelkraal 26 to 289p and Sonth African Land 27 to 197p.

The Gold Mines index advanced 19.9 to 288.5—its highest level since September 16, 1975, when the bullioo price was trading around \$147. Financials were highlighted by

Angie American Corporation which rose 140 to 720p following huying from the Con-Union Corporation tinent. advanced 55 to 605p, GFSA \$ 10 £231 and Minoreo 13 to 320p, De Beers put on 32 to 455p. In London-based Financials, Tanks rose 22 more to 272p, Gold Fields 13 to 398p, after a 1979-80 high of 400p, RTZ 15 to 342p, Selection

Trust 14 to 600p Platinums were beavily bongut throughout the day and made further strong progress in the after-hours' trade. Rustenburg jumped 35 to 246p. Impala put on 33 to 273p and Lydenburg rose 9 to 142p. Among Coppers,

Consolidated 35 to 255p.

Australians moved sharply higher across the board with trading reported as very busy throughout the day. Gold Mines Kalgeorlie closed 11 higher at 198p, while Poseidon added a like amonot at 124p and North Kalgurii 31 at 48p. MIM Holdings, Australia's leading silver pro-ducer touched a 1979-80 high of 232n for a net gain of 22.

Diamonds continued to im-prove with Consinc Riotinto 16 firmer at 268p. Northern Mining 8 up at 165n and Ashton Mining 9 to the good at 167n. Other diamond exploration issues showed Parines another 5 hetter at 67n and Samantha 7 higher at and the foundation of the continued and

Grose Price Chenge Iliv (p)

NEW HIGHS AND LOWS FOR 1979/80

NEW HIGHS (58) AMERICANS (1)

ELECTRICALS (1)

PAPE (1) PROPERTY (1) SHIPPING (T) Common Brothers
SOUTH AFRICANS (2)
Greatermann A S.A. Brewerles
OIL & GAS (2).
Clas Oil Woodslide MINES (48)

NEW LOWS (73)

Exchdr. 13 test '87 Treas, 13 pc '9; Treas, 74pc '85-88 Exchdr. 12pc '9; Treas, 124pc 1992 Treas, 13 pc '00 Treas, 12pc 1995 Treas, 114pc '03 Exchdr. 104pc '95 AMERICANS (2) Eaton Corp. BEERS (11 Distillers BUILDINGS (8) ... Fed. Land Bidg. Wattings (G)
Lang (J.) A STORES (4)
Aquascutum A Radicat UDS

ELECTRICALS (3) ENGINEERING (10)
Priest (Ben.)
nh, Renold
Stothert & Pitt.
Tube lavestment
Vickor

HOTELS (1) Ladbroke 2 INDUSTRIALS (10)
2 Paraby Leslie Hawkins &
British Syphon Hoskins &

TEXTILES (6) TOBACCO (2) General Funds Conv

PICTS AND FALLS YESTERDAY

290

UNIT TRUST SERVICE



Jersey Fd. Mgrs. Ltd. Helier, Jersey 0534 36241 137 450 -10 1333 152 47.0 426

Scrinvest (Jersey) Ltd. (x) Queens Hse., Don Rd., St. Heller, J.

0705 27733

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| • | EQUITY GROUPS | V | Ned., | Jan. | 2, 198 | 0 | Mor., Dec. 31 | Fri., Dec. 28 | Thurs, Dec. 27 | Mon., Dec. 24 | Year ago (approx.) |
|----------|--|------------------|----------------------|--|--------------|-------------------------------|---------------------|---------------------|----------------------|---------------------|--------------------------|
| Figu | & SUB-SECTIONS ares in parentheses show number of stocks per section | index No. | Day's Change % | Est. Earnings Yleid % (Macc.) | Yield % | Est. P/E Ratio (Net) | Index No. | Index No. | Index No. | Index No. | Index No. |
| 1 | CAPITAL GOODS (172) | 210,00 | -1.6 | 20.52 | 7.34 | 6.17 | 213.41 | 214.49 | 213.38 | . 214.49 | 234.29 |
| . 2 | Building Materials (27) | 195.99 | -1.1 | 20.06 | 7.64 | 6.40 | 198.19 | . 198.21 | 198.12 | 199.18 | 206.12 |
| - 3 | Contracting, Construction (29) | 317.97 | -21 | 29.02 | 7.54 | 4.27 | 324.73 | 325.10 | 325.28 | 328.99 | 361.89 |
| 4 | Electricals (15) | 539.56 | -1.8 | 14.95 | 4.60 | 8.92 | 549.67 | 554.54 | 548.38 | 550.53 | 546.22 |
| - 5 | Engineering Contractors (11) | | -0.8 | 27.19 | 8,97 | 4.70 | 287.68 | 289.73 | | | 357.58 |
| 6 | Mechanical Engineering (74) | 147.71 | -1.4 | 22.53 | 8,70 | 5.53 | 149.78 | 150.29 | | | 183.82 |
| - 6 | Metals and Metal Forming(16) | 141.95 | -2.6 | 23,46 | 10.70 | 5.34 | 144.90 | 146.33 | 146.07 | 146.40 | 162.75 |
| | CONSUMER GOODS | | | | | | | 1 | | | |
| 11 | (DURABLE)(50) | 186.58 | -2.0 | 19.25 | 6.51 | 6.40 | 190.39 | 192.48 | | | 210.39 |
| 12 | LL Electronics, Radio, TV (15) | 249.72 | -2.5 | 15.56 | 5.14 | 8.20 | 256.13 | 259.46 | | | 266.35 |
| 13 | Household Goods (14) | 114.00 | -21 | 26.55 | 9.50 | 4.56 | 116.40 | 115.49 | 1 | | 165.93 |
| 14 | Motors and Distributors (21) | 102.80 | -0.8 | 26.10 | 8.99 | 4.52 | 103.62 | 104.74 | 103.86 | 103.97 | 121.62 |
| 21 | INDN-DURABLE) (173) | 201.70 | -1.0 | 19.78 | 7.45 | 6.24 | 203.74 | 204.31 | 204.48 | 205.84 | 210.15 |
| 22 | Breweries (14) | 250.53 | -0.9 | 17.45 | 6.98 | 6.74 | 252.84 | 253.03 | | | 232 38 |
| 23 | Wines and Spirits (6) | 290.31 | -1.0 | 18.52 | 6.31 | 6.66 | 293.13 | 295.65 | | | 285.77 |
| . 24 | Entertainment, Catering (17) | 269.49 | -14 | 19.60 | 7.33 | 6.62 | 273.46 | 273.73 | | | 273.27 |
| 25 | Food Manufacturing (19) | 188.85 | -0.7 | 21.07 | 7.70 | 5.82 | 190.18 | 190.93 | | | 202.53 |
| 26 | Food Retailing (15) | 289.88 | -1.4 | 14.21 | 4.89 | 8.41 | 294.08 | 291.92 | | | 233.21 |
| 32 | Newspapers, Publishing (12) | 381_40 | -0.7 | 24.89 | 7.64 | 5.55 | 384.20 | 385.03 | | | 371.03 |
| .33 | Packaging and Paper (15) | 111.96 | -2.9 | 26.52 | 10.14 | 4.86 | 115.25 | 116.56 | 216.88 | | 133.28 |
| 34 | Stores(43) | 189.65 | -0.8 | 16.23 | 5.97 | 7.96 | 191.17 | 19L38 | 191.33 | | 195.38 |
| 35 | Textiles(23) | 124.31 | -1.0 | 29.26 | 13.00 | 4.34 | 125.57 | 125.97 | 126.14 | 126.34 | 180.68 |
| 36 | Tobaccos (3) | 197.98 | -0.5 | 28.79 | 11.26 | 3.92 | 198.97 | 201.44 | | 202.90 | 236.05 |
| . 37 | Toys and Games (6) | 47.17 | -0.9 | 34.70 | 15.18 | 3.64 | 47.59 | 47.59 | | | 91.65 |
| 41 | OTHER GROUPS (98) | 185.81 | -0.7 | 16.84 | 7.23 | 7.23 | 387.38 | 188.19 | | | 196.61 |
| 42 43 | Chemicals (18) Pharmaceutical Products (7) | 276.84 | -0.3 | 17.61 | 7.20 | 6.56 | 277.71 | 281.05 | | | 278.28 |
| : 44 | Office Equipment (6) | | -0.9 | 13.24 | 6.64 | 9.21 | 194.03 | 195.40 | | | 248.35 |
| 45 | Shipping (10) | 103.52 | -0.2 | 19.28 | 8.15 | 6.47 | 103.77 | 164.61 | | | 131.01 |
| 46 | Miscellaneous (57) | 423.08 216.02 | -0.2 -1.3 | 12.52 18.19 | 7.63 | 10.19 | 424.10 | 422.21 | | 413.05 | 408,18 |
| · 49 | INDUSTRIAL GROUP (493) | 205.30 | -12 | 19.21 | 7.29 7.30 | 6.97 | 218.77 | 218.65 | | | 211.54 |
| 51 | Oils (7) | 689.27 | -1.0 | | | 6.45 | 207.79 | 208.64 | | | 219.64 |
| 59 | 500 SHARE INDEX | | | 16.34 | 6.93 | 6.61 | 696.39 | 762,09 | | | 53.0.47 |
| 61 | FINANCIAL GROUP (117) | 243.53 | -1.1 | 18.60 | 7.22 | 6.48 | 246.30 | 247.61 | | | 243.80 |
| 62 | LINAMETAL PROPERTY. | 178.88 | -1.9 | | 6.18 | | 182.36 | 7.82.88 | | 18261 | 170.95 |
| 63 | Banks(6) | 214.33 219.30 | -2.7 | 38.80 | 6.87 | 3.29 | 220,33 | 222.52 | | 222.16 | 292.17 |
| 64 | Rice Durchare (5) | 163.24 | -13 | 21.70 | 9.64 | | 219.30 | 218.71 | | | 218.62 |
| 65 | Hire Purchase (5) | 15531 | -0.7 | | 5.83 6.77 | 5.83 | 165.33 | 164.51 | 166.21 | 167.02 | 165.83 |
| 66 | Ingrance (Composite) (8) | 170 22 | -2.0 | _ | 817 | | 156,38 121,67 | 155.64 | | 154.81 | 135.30 |
| 67 | Insurance Brokers (10) | 263.00 | -1.7 | 18.96 | 7.42 | 7.54 | 267.55 | 121.42 266.51 | 121.25 | 321.94 | 124.54 |
| - 68 | Merchant Barries (14) | 88.83 | -10 | 20.70 | 6.70 | , , , , | 89.75 | 90.09 | 266.86 | 267.48 | 310.06 |
| . 69 | Property (44) | 310.60 | -1.9 | 4.25 | 3.46 | 33.74 | 316.73 | 318.61 | 89.96 316.72 | 89.83 | 78.26 |
| 70 | Miscellaneous (30) | 720 77 | -11 | 15.82 | 7.54 | 8.22 | 121.39 | 17L17 | 119.78 | 317.00 | 270.94 113.46 |
| 71 | Investment Trusts (109) | 191 88 | -0.3 | | 6.39 | - | 192.49 | 192.65 | 191.75 | 192.43 | |
| 81 | Mining Finance (4) | 168.69 | +4.2 | 13.66 | 5.24 | 8.89 | 161.95 | 160.94 | 158.19 | | 203.96 |
| 91 | Overseas Traders (201) | 227 64 | 487 | 14.99 | 7.53 | 8.07 | 332.39 | 331.79 | 333.27 | 156.31 336.60 | 102.66 |
| 99 | ALL-SHARE INDEX(750) | 227.36 | -1.1 | | 6.94 | | 229,79 | | | 230.46 | 2%.94 223.52 |
| <u> </u> | | | | · · | | | | | 1 | 1 ~0.70 | **** |
| < | | | | | FD | ED INT | EREST | | 146. | 1 | |

| | FIXED INT | FOCED INTEREST YIELDS Bridsh Govt. Av. Grass Red. | | | Wed. Jan. 2 | Mon., Dec. 31 | (approx.) ago | | | | |
|------------|--------------------|---|----------------------|------------------|----------------------------|---------------------|-------------------|---------|-------------------------|-------------------------|-------------------------|
| | British Government | Wed, Jan. 2 | Day's change % | xd adj. today | xd adj. 1980 to date | 1 2 3 | Low Coopers | 5 years | 12.63 12.66 12.83 | 12.49 12.56 12.72 | 9.70 11.43 12.24 |
| 1 2 | Under 5 years | 99.79 102.47 | -0.52 0.82 | - | 0.00 6.00 | 4 5 6 | Medium Coupons | 5 years | 14.96 14.49 14.40 | 14.78 14.45 14.17 | 12.80 12.82 12.82 |
| 3 4 | Over 15 years | 105.95 118.95 | -8.82 0.75 | | 0.00 | 7 6 9 | High Coupoes | 5 years | 15.25 15.02 14.73 | 14.96 14.87 14.60 | 12.84 13.36 13.36 |
| 5 | All stocks | 102.44 | -0.71 | | 0.00 | 10 | Irredeemables | | 1232 | 32.23 | 11.98 |

| | | · · · · · · · · · · · · · · · · · · · | Wed., 7a1, 8 Index Field | Mon. One, 51 | Dec. | Thurs. 1120. 27 | Mon. Dec. 24 | Dec. | Dac. | D:0. | Year ago sppfexi |
|---|----|---------------------------------------|-----------------------------|--------------------|-------|-----------------------|--------------------|-------|-------|-------|-------------------------|
| : | 16 | 20-yr. Red. Deb & Loans (15) | 49,65 †25,97 | 48,36 | 49,86 | 48.35 | 48.35 | 49.34 | 49.67 | 48.66 | 54 91 |
| | 16 | Investment Trust Prefs. (15) | 45.54 14.45 | 46.54 | 46.21 | 46.21 | 46 99 | ce 99 | 4E 70 | 4E 00 | 07.84 |
| | 17 | Coml. and Indl. Prefs. (20) | 51,51 14,60 | 51,23 | 61,19 | 51,13 | 51.19 | al.18 | 81.44 | 51,44 | 72.37 |

| | | 77.00 | | | | | | | | |
|--|--------|-------|-------------|------------|---------|---------|--|--|--|--|
| · Der | emina- | กร | Closing | Change | 1979-80 | 1979-80 | | | | |
| F1.27 | tica m | - 5 | price (p) | on day | high | low | | | | |
| " - 7 - Селз | 2ๆ | 8 | 141 | + 7 | 141 | 69 | | | | |
| The second secon | 109 | 8 | 14 | _ | 16 | 71 | | | | |
| n. Ferries. | 25p . | 6 | 99 | _ | 183 | 92 | | | | |
| 77 | 25n | 6 | 326 | - 6 | 456 | 311 | | | | |
| Inds. | RO.10 | - 6 | 246 | +35 | 246 | 94 | | | | |
| | 25,7 | 5 | 235 | - 2 | 362 | 235 | | | | |
| | 25p | 5 | 286 | - 1 | 347 | 219 | | | | |
| P | 25p | 5. | 344 | - 2 | 406 | 2201 | | | | |
| De Beers Dfd | R0.05 | 55555 | 455 | +32 | 482 | 332 | | | | |
| "(N | £1 · | 5 | 238 | - 9 | 308 | 226 | | | | |
| GI And Sees. | £1 | 5 | 353 | - 1 | 415 | 314 | | | | |
| ! So.s | 50p | 5 | 24 3 | – 6 | 323 | 241 | | | | |
| ar Bank | £1 | | 338 | -12 | 406 | 278 | | | | |
| her. Inial | £1 | 5 | 1€5 | - 5 | 199 | 149 | | | | |
| "holi Transport | 25p | 5 | 320 | – 6 | 402 | 278 | | | | |
| | | | | | | | | | | |
| options | | | | | | | | | | |

ACTIVE STOCKS

DEALING DATES Deal- Declara- Settletion ment ings Jan. 7 Jan. 18 Apr. 10 Apr. 21

Schn Brown, Cons. Gold Fields, Prentier Oil, William Collins A. T. Lourho, C. T. Bowring, Ladbroke, Fitch Lovell, Marks Jan. 7 Jan. 18 Apr. 10 Apr. 21 and Spencer, 600 Group, Grand Jan. 21 Feb. 1 Apr. 24 May 6 Flet. and Otter Exploration. J. 15 Elay 8 Play 19 Puts ware done in GEC, BP and 1. 77 : indications see end of J. E. Sanger, while doubles were Since Information Service completed in Allied Colloids, Works arranged in Welkom and Cons. Gold Fields.

...T !!SUES **EQUITIES**

| : | 1973/00 High Low | Stock | Price p | + 07 | Div. P. | Covered | Viole | P.E. |
|---|---|---|---|---------------------|--|---------------------------------|---------------------------|------------------------------|
| : | F.2 127 120 F.2 47 43 159 112 2101 ₈ £10 74 63 | itBio-kil Ghem, 10p. B.P. Naw Conder Intt: Haynes Pbilsh'g 20p Lontrim ISASOL RI Sei Mkt 7stPriftedPri Spring Grove 10p. VereidhaveNVOFL 20 | 142 107 120 43 159 21018 | 2 70 71 7 8 1 1 | 74.9 5 15.75 57.0 55.39 116c 54.0 GFL5 | 5.8 2.9 2.1 1.3 2.2 | 9.3 5.0 11,2 5.2 | 5.4 4.10.1 10.1 9.1 |
| | FIXED | NTEDEST (| | CK | • | | | |

FIXED INTEREST STOCKS

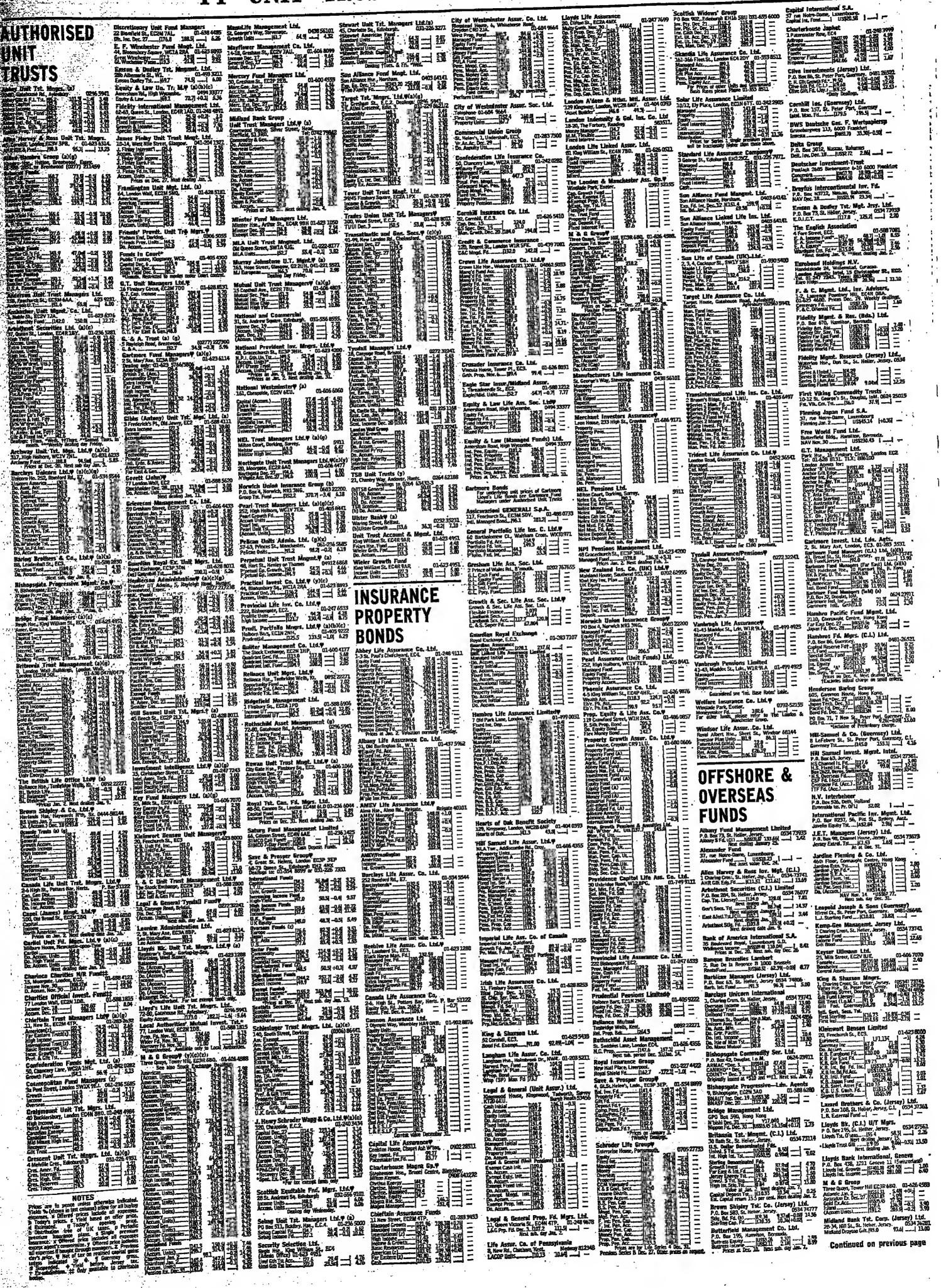
| Prioc 3 | Amount Fold Up | atest muno Dato | ├ ─ | 9/80 | Stock | 0 50 E | +01 |
|-------------------|----------------------|-----------------------|---------------------------------|--------------------------------------|--|---------------------------------|----------|
| - 54 | 4. | 750 | High | Low | | 00 | 1 - |
| 150 150 150 | F.P. F.P. F.P. | 25/1 | 1034 99 87 86p \$99 | 921 ₂ 90 85p 85p | Amber Day 1042 Gum, Red. Pref. '98.02 2'rnem'th & Oistriot W ter Red. Pref. 1985 Bristol Waterworks 92 Red. Pref. 1984 Dundonian 1142 Gum. Com. Pref. Hewitt (J.) Hewitt Samuel Floating Rate Notee 1922 Mid-Sussex Water 12 Red. Pref. 1828 New Thorn Elec. 7200n.Red.8ndCompri92-99 | 1034 93 27 85p \$97 | +2 -1 |
| | | | | RIC | HATS" OFFERS | | |

| P: | Am | Dato | Hlah | Low | Stock | | - |
|---|------|---|--|---|---|--|-----------------------|
| 20 40 560 560 A§1 191 ₂ 95 40 57 60cts 900 | F.P. | 3/1 24/1 3/1 24/1 7/1 28/1 16/11 4/1 16/11 4/1 38/11 11/1 3/12 1/2 11/1 15/2 | 720 720 43pm 9pm 100 49 63 285pm 208 | 560 560 20 pm 5 pm 90 37 58 190 pm | Dundonian. Eison & Robbins. Hammerson Prop. & Inv. Trust. Do. A. Hanimex Corp. Lagorte Inde. & Y. Dart Newman Tonks. Pancontinental Pikington Bros. | 715 716 38pm 9pm 93 43 60 285pm | -5 -1 -1 +20 |
| _ | | | | | | | |

g Assumed dividend and yield. Urforecast our year'n earnings. Filtwidend and yield uset stimetes for 1979. O Gross. I Figures assumed inheres not now racking for dividend or ranking labeled in Office to public. pt Pence us less otherwise 1 Officed to holdern of ordinery shores so if capitalisation. §§ Reintroduced. 11 Issued in

79/80

FT UNIT TRUST INFORMATION SERVICE



FOREIGN BONDS & RAILS

SHARE INFORMATION SERVICE FT

| valuers | invoice of the same that the same of the same is and the same to | 46 Juny 77 | | | Dir. Cvr 6 |
|---|--|--|---|--|--|
| | 51 22 Attofagasta Rfy 45 +2 +2 52 37 Do. Spc Pref 50tal 4-3 98 98 178 [Chilean Mixed 98 | 29 19 153 90 120 87 339 357 173 - 122 75 | Grindlays | 120 -12 13 87 -1 6 282 -6 11 | 3.97 7.5 3 25 — 10 10.92 — 11 |
| 2 PRITICU CUMPS | 50 21 Do. 5pc 1912 45 7 28 13 Do. 5pc 1913 23 7 7 10 Do. 5pc 1925 Roser 18 | 205 118 80 54 185 110 | Hill Samuel Hong Shng \$2.50 Jessel Toynbee. Joseph (Leo) \$1 Keyser Ullmann | 176 | 72. — 1 162 — 11 15 — 13 |
| BRITISH FUNDS 1979-901 Stack Price + or bat R | 52 35 Greek 7pc Ass. 35 32 16 51 34 Do 6pc 28 Stab. Ass. 35 6 16 42 32 Do 4pc Mixed Ass. 34 4 3 | .00 1764 196 | King & Shax 20p. Kleimwort B.L Lloyds £1 | 64 3 124 t6 296 -6 f1 | 78 |
| | 6.00 902 782 related 72cc 81-83 79m -4 72 12 6.10 872 69 Do 99 pc 91-96 722 -2 94 14 6.10 872 722 -2 94 14 | 海 器 员 | Manson Fig. 200. Mercury Secs Midland £1. Do. 71-2% 83-93 | 77 - 6 73 73 - 1 75 75 75 75 75 75 75 75 75 75 75 75 75 | 0 — 5 6.44 5.6 7 7.% 28.1 11 |
| 97 97% Treasury 33:0c 77-80 95% 12 3.65 1 973 92% Funding 51:0c 78-80tt 96 2 12 13.25 1 1035, 971- Exchange 13oc 1980tt 98 3 2 13.22 1 | 5.01 570 575 5.6 6/200 1980 390 6/2 6 | 22 496 272 22 406 278 278 406 278 | Minster Assets Nat. Bk. Aust. SA1 Nat. West. £1 | 140 +4 10 338 -12 11 | 9 1.8 12 116c ø 7 2.63 7.9 5 |
| 9911 923 Treasury 94pt 191177 933 - 6 1477 9 | DM9210M921Turin 61-oc 1984, DM92 | 85 109 76 80 540 360 260 180 | Royal Bk. of Scot. Schroders £1 Secombe MC £1 | 400 12 216 12 | 290 — 4 4.9 — 10 |
| 981 947 Treas Variable 8166 967 16.87 2 | 0.21 1979-80 + of 15/7. 527 1979-80 - Gross Cr | | Smith St. Aub Stand d Chart £1 Trade Dev. \$1.50 | 100 15 465 -2 N2 513 06 | 1.8 — 7 250 3.7 7 35 3.2 5 |
| 895 82 Treasury 3oc 821 824 - 3 363 1 1083 77.4 Treasury 14oc 821 97.4 - 4 14.32 1 97.4 97.4 17.18 2 97.4 17. | 2.49 5.18 204 113 ASA 187 184 +14 \$2.40 — 5.33 59 30 AMF 5% Corry 87 30 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 | 6.0 54 32 17.9 5215 5124 - 88 446 | Union Disc 51., U.D.T. Wells Fargo \$5. Wintrust 20p | 123 -2 SI | 72 - 7 9 - 5 |
| 864 764 Exch 30c 83 | 5.53 257 17 Amex 51 202 +5, 51.80 = 5.14 232 134 American Express 135 +1, 80 = 2.11 192 102 American Medical Inc. 135 +1, 80 = 5.01 164 8470 Asarco Inc. 163 +12, \$1.50 = | 6.0 2.6 4.0 4111 27 | - | rchase, etc | 21 1811 |
| | 274 194 Baker laint. Corp. \$1 24 60c — 50.563 124 780p 8 armes Grp. \$623 780p \$0.66 — 50.66 — 50.66 — 50.66 — 50.68 295 165 Bendix Corp. \$5 184 att +4, \$2.84 — 50.8 174 9059 Beth. Steel \$8 947p +3 \$1.60 — 70c — 54.9 13 \$539 Brown's Fer. c1662, 684gad — 1 70c — 50.9 Brusswick Corp. \$1.00 p +5 80c — 50.0 p +5 80c — | 11 560 531 38 145 98 7.0 49 204 7.7 17 104 4.6 119 82 | Lloyds & Scot_20p. Lnd. Scot_Fin_10p Moorgate Merc. 10p Prov. Financial. | 120rd 5.2 37 -1 h1 14 0 91 +5 | 76 28 6 5 26 5 44 26 8 |
| 1014] 8/4 Ireasury 120c 1984 89 -4; 13.48 1 | 20 24 20 20 20 20 20 20 20 20 20 20 20 20 20 | 29 14 28 17 ₂ 9 ₂ 50 55 30 | Strig. Credit 10p. Sturia Hidgs. 10p Wagon Finance | 160 ₂ -2 23 | - 1-1- |
| 1074 982 Treasury 15x: 1985 1012 4 15:03 1 10 872 Exch. 12 4x: 1985 904 - 76 13:79 1 95 774 Treasury 8-3x: 84-864. 791-xi - 4 10:49 1 1124; 914 Exch. 13-4x: 1987 911-xi - 76 14:43 1 84, 70% Funding 6-3x: 85-87±; 724 - 4 9.14 1 | 465 235 Cinerphiari 244 1-1 32.10 — 33.15 234 164 Chase Minta.S12.5 175pml +1 52.40 — 33.30 991p 921p (Chesehrough S1 986p +25 \$1.08 — 480c 265p (Chrysjer S64 3035 140c | - #\ 102 271- | RS, WINE | | |
| . 894 724 Iressny 74c 85-88#; 723-54 -5; 10.64 1 703 544 Transport 30c 78-88 561-34 -3; 5.31 1 73 584 Treasury 111-pc 1999 853 -7; 13.93 1 73 584 Treasury 50c 86-89 604 -3; 8.45 1 | 5.06 14% 6450 Colgate-P. \$1 6500 -2 \$1.08 | 6.7 63 29 7.4 240 157 7.6 58 31 57 198 160 | Amel. Dist.Pr.10p. Bass | 46 -1 0.7 31 -1 7 176 -2 5.2 | 8 (13.0) 5. 45 — 2 9 (4.2) 4. |
| 874 682 Treasury 840 8740 70 m -12 11.86 1 1064 802 Treasury 1140 1991 825 m -14 14.10 1 775 583 Funding 53 m 87.91 60 m -14 9.75 1 | 227 284 192 Colt inds. \$1 | 经增光 | Border Brew's Brown Matthew) Buckley's Brew | 102 12 78 -2 13 128 -2 5.0 47 11 156ml 17. | 91 19 7 19 7 8 9 23 6 |
| 111% 874 Treasury 123 pc '92±1. 873 pm -7, 14 52 14 942 743 Treasury 100c 1992 77, 2 -1, 2 13.55 14 1073 853 Exch. 123 pc '92. 883 -1, 14 52 14 1103 834 Treasury 123 pc '93±1 855 pm -1, 14 53 14 | 1.77 38% 23% Exxon 24% -1 \$4.40 1.66 104 3760 | 178 115 10.0 61 46 65 184 140 8.0 252 116 6.8 178 130 7.8 129 192 | Burtonwood City Lon, Def Clark Matthew) | 252 + 13. 57 -1 73. 146 7. 1924 -2 9.7 | 89 63 2 52 16 8 3 24 7 |
| 1974 54% Funding tot 1973; 1 572 -1 10.77 1 1194 90% Tressny 1340; 1932; 935 -1 14.93 15.03 1 1214 98 Tressny 14-0; 942; 1 1013 -1 15.03 1 109 656 Exch. 12-0; 1994 894 -1 14.68 14 | .00 32 134 Ford Motor \$2 143, -3, 54.00 | 125 126 126 54 126 126 54 126 136 | Gordon (L.) 10p Greenalf Whitley . Greene King | 50 -2 1 159m -5.2 367 19. 182m -2 9. | E A A |
| Over Fifteen Years 106% 82% Treasury 120c '95 82% Mari - % 114.48 14 | 13 7800 Hutton E.F | 56 213 154 216 742 50 227 157 53 1122 72 61 610 410 | Invergordon Irish Distillers Matallan, Glen. | 80 559 | 29 1 |
| 954 734 Exch. 104oc 195 734 al -1, 13,90 14 1122 854 77easury 124oc 75tt 883 -1 14,65 14 | 157 8540 9726 L. U. International 4990 -7 95c - 168 142 8286 Kaiser Al. \$3 8636 -2 \$1.20 - | 8.6 123 75 6.2 148 57 8.1 196 129 5.4 196 129 | Mortand Sandeman Scott & Hew 20p. | 107ml +2.1 90 +3 3.0 148mi +2.1 60 -1 3.9 | 0 18 4.8 54 b3.6 2.5 8 19 9.7 |
| 50½ (41¾ (Redemption 3pt 1986-96) 437% -3, 6.96 10 115% 89½ Tressury 13½pt '974± 89½mt -3, 14.75 14.75 14.75 14.12 | 07 14% 853g Owens-III. \$3,125 908g -13 \$7,26 - | 49 330 22 | TWhithmand 'A" | 194 +2 13. 131 +2 6.0 126 -2 14.8 267 8.5 158 15. | 3.4 5.4 5 3.6 4.5 |
| 68 545 (Treasmy 64ac 75-98tt. 565 -3 12.17 13 1285 103 (Treas. 15-2ac 98tt. 1064 -3 15.18 13 1286 813 Exch. 12pc 1998 833 -3 14.58 14 895 676 (Treasmy 94ac 1999tt. 697an -3 13.54 14 | | 52 58 | UILDING | | |
| 1064 874 [Exch. 124] 1999 867 - 2 14.66 14 774 732 [Tressury 10:36:1999 755 - 2 14.88 14 607: 583 [Tres. 140: 98:0] 16040 594 - 14.85 14 107 812 [Exch. 12pc 99-02 811; nl -4 14.61 14 | 84 5289 2999 Saul IB. F. I \$1 3250 -6 \$2.40 \$ | 44 102 1 57 | IMBER A | ND RO | |
| 96½ 91½ [Treas.133.oc.2000-B3A 9334]—½ [14,87] 14 97¼ 79¼ [Treasury 11½0c '01-04 32½ —½ [14,53] 14 42½ 32½ [Treating 32-oc. '99-04 343.ut] —½ [10,01] 11 | 89 233 16 Tenneco 177 234 1 1 10% - 134 1 1 10% - 152 9420 5410 Tesmo Pt. USSO 163 - 8630 + 4 | 63 . 33 20 | Attied Plant 10p Armitage Simis Arncliffe 10p BPB Inds. 50p | 3012 -112 this | 47 26113 5 41 81 |
| 75 604 (freasury 66c 02-0641) 6245 13.27 13 974 805 [freasury 13 to 03-07] 805 14 91 14 54 61 freasury 5 to 08 12tt 45 t -3 12 64 12 | 53 322 183 Time loc 213 M 2 1566 — 56 9810 7620 Transamerica \$1. 7620 -13 \$1.12 — 274 164 Utri, Tech. \$US. 7840 193 193 \$2.20 — 324 193 775 Utri, Tech. \$US. 7840 193 175 Utri, Tech. \$US. 7840 193 193 193 193 193 193 193 193 193 193 | 35 33 36 37 37 37 37 37 37 37 37 37 37 37 37 37 | Bailey Ben 10p. Barratt Dev. 10p. Beechwood 10c | 14 -1 d12 07 -2 102 22d 120 | 4 4 12 2 6 37 13.7 |
| 36 289 Consols 40c 29 29 21 13 58 | | 54 531 535 535 535 535 535 535 535 535 535 | Beliway Beniox 20p Benford M, 10p Beti Bros. 20p Biockleys 20p | 36 -1 (26 | 2 3410.4 |
| 35% Z7 War Loan 3-pc++ 287 -4 12.25 394 394 334 conv. 3-pc to 1.481 343 -4 10.34 274 227 Treasury 30c 66 Aft. 227 -1 13.53 274 194 Corsols 21-pc 199 Corsols 21-pc 11.53 3 | 167, 1860p 8k, Montreal \$2 960p \$1.44 - | 356 220 63 121 172 5.9 36 172 | Blue Circle E.U.2 For Blundell-Perm Breedon Lime Brit Dredaina | 38 -4 †10.4 splane see Indust 61 h7.0 20 -1 | 3 3.1 6.3 mals 14 9.9 |
| INTERNATIONAL BANK 86 78 Spc Stock 77-82 81 -4 6.17 13 | 134 135 136 136 137 136 137 | 8.8 300 44 0.3 93 58 5.9 74 45 7.8 520 212 | Brown Jisse, 20pl 2 Browniee Bryant Hidgs Burnett & Hallami 4 | 15 -2 160 82 -1 4.0 53 -1 4.0 80 +10 (6.5 | - 20 7.0 41108 4112 19 |
| CORPORATION LOANS 101 824 Bath 114pc 1965 854 -34 13.50 15 1073 864 Bloomham 1212pc 1985 893 -34 14.10 15 993 9613 Bristol 1334pc 1981 973 -14 14.07 15 | 3314 28 Do. 4nc Deb. £100 283 4% | 14.1 46 27 | C. Robey 'A' 10p . Carnder (GM) 10p Carr (John) | 78 07.0 32 11.8 52 -1 1.86 63 13.9 | 2 3.9 81 2 23 86 |
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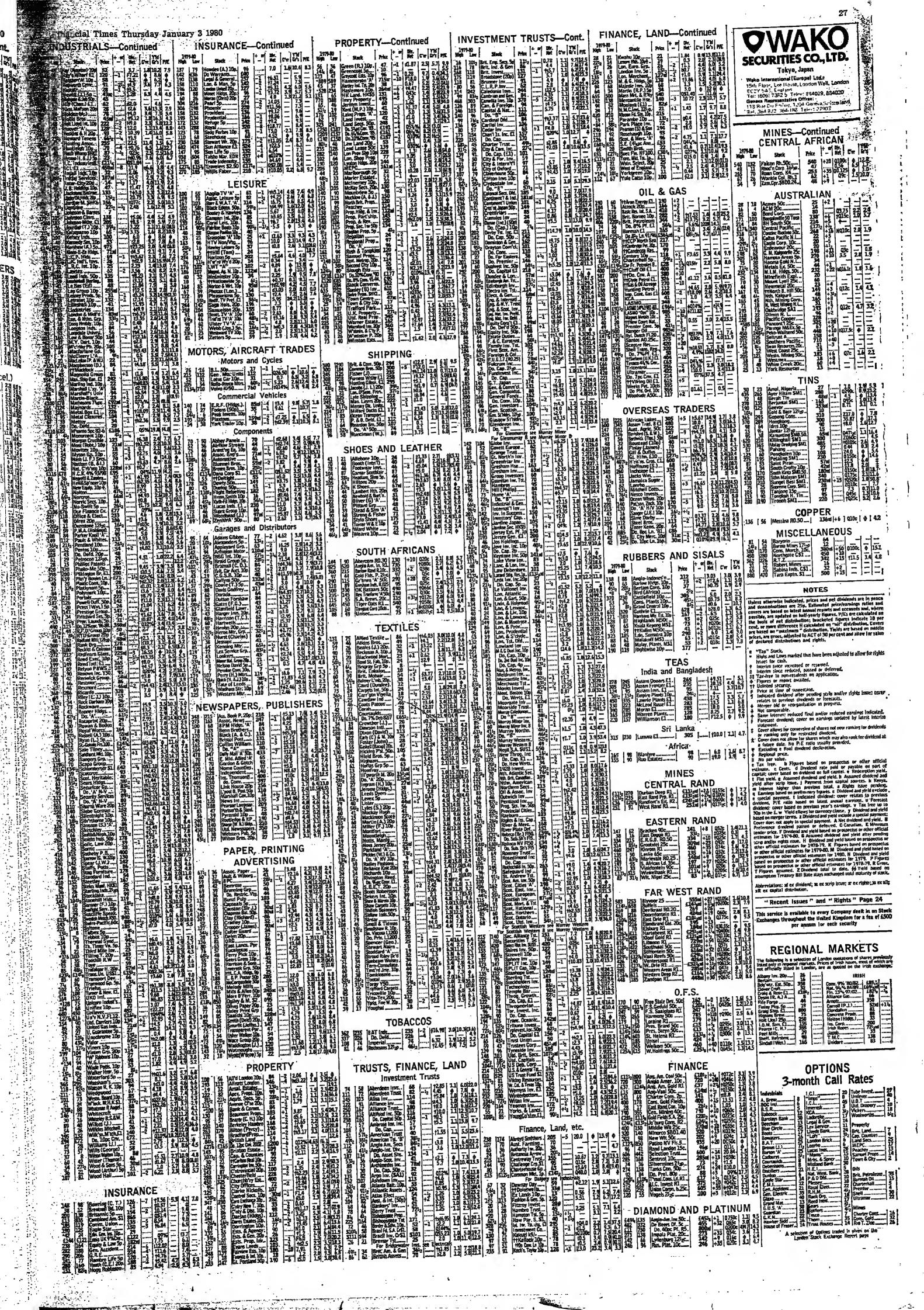
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01-404 0202



North Sea oil prices may top \$30

BY RAY DAFTER, ENERGY EDITOR

African producers — will be not to give further impetus to market. This might lead to a backdated to January 1.

Oil companies — principally Britisb National Oil Corporation -still have to fix prices for North Sea crudes, which now cost an average of \$26.20. This Consequently, it could be is well out of line with the cost of competitive African oil. .

Industry reports suggest that Nigeria is asking more than \$34 might indicate a compromise a barrel for some grades of solution to the dilemma. a barrel for some grades of crude: Libya has raisesd its price to about \$34.50. while Algeria is charging about \$33 a parrel \$3 of which is in the barrel. \$3 of which is in the barrel, putting the UK firmly in form of a surcharge to cover the camp of the pricing further exploration costs.

These prices stretch even further the differential between price fixed by Saudi Arabia, the world's biggest exporter and leading "moderate" within the Organisation of Petroleum Exporting Countries, and those prices imposed by the OPEC

than \$30 a barrel in the next ment are in a quandary. While supply position, believes that few days. The increase—which committed to charging world there could soon be a surplus follow pricing levels set by market prices, they are anxious of crude oil in the international

> Furthermore, there is still a good deal of confusion about through its state participation the true market value of high agreements it is bound to nav quality crudes such as those Consequently, it could be several more days before new North Sea oil prices are announced. Even then, they

the camp of the pricing moderates

In this case, the Corporation would probably impose a sur-charge to bring the prices in line with those charged by the Africans. This premium could then be tailored or removed, depending on the conditions of the oil market over the coming

ported a turnout of 4,200

of the decision which they saw

as a deliberate move to prevent

a Harijan from becoming Prime

which there have been three contenders for the premiership,

but the main issue has been the

possible return to power of Mrs. Gandhi. To an electorate weary of politicians, abe has been hold-

severe drought in the north, the

turnout is expected to be low. In the 1977 election 60 per cent

The campaign is the first in

forces..

Gandhi expected to

win Indian elections

VOTING TAKES place in supporters were bitterly critical nearly half of India's 642 con- of the decision which they saw

Minister.

BNOC is trapped because agreements it is bound to pay market prices for all oil acquired from other North Sea producers.

This oil is resold by BNOCeither back to the producing companies or in refiners. If the with arbitration procedures ano perhaps, litigation

Mr. Howell emphasised yesterday that Britain would lose more than it would gain from such price increases, even though the country would reach the point of being energy selfsufficient at some stage this year. Taking the coming 12 months as a whole, the country would still remain a net im-

New group

in public expenditure. Within rate. the oil industry, it was estimated that a \$6-a-barrel increase in crude oil could add more than 9p a gallon to petrol

pump prices. "We are not like Saudi Arabia. We are basically a-concountry," said Mr. Howell. "We might gain a of such a cheap oil policy were little on the swings, but we now accepted by EEC members. would inse a int more nn the roundabouts."

Government revenue from is expected to be about £2.5bn return to pricing stability and a with oil price at an average of reunification of the price structure. brokers Wood, Mackenzie. The revenue would be nearer £2.2bn changes in the international with a \$25 a barrel nil price and marketing system, including the £2.8bn if North Sea crude prices growth rise to \$35 a barrel.

NORTH SEA oil prices are North Sea oil producers, par- Secretary, who yesterday met each 20 per cent rise in the ticularly Germany and France.

NORTH SEA oil prices are North Sea oil producers, par- Secretary, who yesterday met each 20 per cent rise in the ticularly Germany and France.

BNOC officials to discuss the price of oil adds 1 per cent to It bas been suggested in the the retail price index - and Community that the UK should "detonate" a further increase charge EEC oil buyers a lower,

> Mr. Howell said that such a system would be impractical: the cheaper oil would quickly leak into the international system, with oil traders making a profit at Britain's expense. He felt that the shortcomings

Mr. Howell will fly to the Gulf tomorrow for talks with ministers and officials of Sandi The gains would come in the ministers and officials of Sandi form of increased taxation. Arabia, Kuwait and, possibly, Iraq. He said he would be North Sea production this year emphasising the need for a

growth in government-to-government deals. Although ne oil market over the coming
Higher energy prices would renewed criticism from Britain's interested in maintaining supply
Mr. David Howell, Energy affect growth, fuel inflation — Common Market partners—par.

THE LEX COLUMN

A breathing space for steel users

Naturally enough, the equity market reacted nervously to the formal onset of the steel strike yesterday. Yet steel users do not, by and large, appear to be facing any imminent crisis, and for some of them the opportunity to run down stocks could even turn the strike into some-

thing of a blessing in disguise. For some time the national statistics have shown unusually high inventories, with manufacturers building stocks by some £400m, or 2 per cent, in volume terms, during the first nine months of 1979. Last month the CBI confirmed in its monthly survey that increasing numbers of companies are becoming overstocked.

The engineering dispute in the late summer tended to lead to some piling up of raw materials and work in progress, and though this may have been partly unwound in subsequent months, companies have more recently had a clear incentive to build np steel stocks ahead of the threatened stoppage.
With the tax paying season now
upon us, there will be increasing pressure to slim down again.
The overall liquidity effects of

strikes are, however, rather complex. Last winter the road baulage stoppage combined with bad weather, appeared to lead to higher loan demand. The engineering dispute, in contrast, temporarily improved liquidity as wage outgoings fell but cus-

tomers were still paying for goods received previously. Now the steel strike is likely to lead to a temporary improvement in liquidity. If the stop-page lasts for much more than a month it will begin to affect production — and therefore profits—in metal-using industries, but even then cash flow could bold up for a while.

·IBM normally announces price changes on a divisional basis. So there was something special about last Friday's announcement of a broad range of price increases spread across the office product, systems and data processing divisions. In making "The Turkish armed forces bave decided to warn the political parties, which have made in the country's problems, which have failed to prevent anarchy by the Islamic revolution."

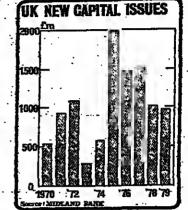
Action Party (NAP).

The Turkish armed forces bave decided to warn the political parties, which have decided to warn the political parties, which have failed to prevent anarchy by the Islamic revolution in the decision must be a provided in the company sector almost made up the shortfall. However, the anticipated improvement is likely to depend insues rising by a third to the country's problems, which its price leadership. Coming after a year of particularly aggressive price competition, the decision must be a become extraording the care of the company sector almost made up the shortfall. However, the anticipated improvement is likely to depend insues rising by a third to the country's problems. Bank, up came in the second quarter as rights issues were brought out that will make up the shortfall. However, the anticipated improvement is likely to depend insues rising by a third to the country's problems. Bank, up against their corset limits, have right in the company sector almost made up the shortfall. However, the anticipated improvement is likely to depend insues rising by a third to the country's problems. Bank, up against their corset limits, have right in the company sector almost made up the shortfall. However, the anticipated improvement is likely to depend insues rising by a third to the country against their corset limits, have right and the company sector almost made up the shortfall.

The company sector almost made up the shortfall. However, the anticipated improvement is likely to depend in the care of the company sector almost made up the shortfall.

The company sector almost m High inflation, the costs of a interest rate on unpaid tax — beavy new products programme, which has recently been raised and a swing from outright to 12 per cent—is now generally stream of companies coming to purchases to leasing are likely market competitive, some com-

Index fell 7.2 to 407.0



first earnings decline for years 1979. The outcome may not be much above \$5 per share, against \$5.32 in 1978. The new pricing structure, which seems partly designed to boost outright sales of new equipment, should help to boost earnings this year to \$5.75 or more. And for 1981, when the new product cycle ought to be running strongly in IBM's favour, some analysts are already talking about \$7 a share. Wall Street remains unimpressed, with the shares a fifth below the 1979 peak at around \$64.

Corporation tax

JANUARY is the crunch month for payments of mainstream corporation tax, when the Government expects to receive fully half — or £1.6bn — of the annual total. So far the omens are unpromising. In the first seven months of the financial year receipts of corporation tax were 11.9 per cent up on the same period in 1978, against the 14.2 per cent budgeted for the whole year. Mainstream was np 17.8 per cent against 28 per cent and on this trend total corporation tax for the year is estimated to come out at £300m below forecast at £4.5bn.

Reports from tax inspectors should see an upturn in returns capital equipment.

use this alternative source of sburt-term finance by, for instance, protracting the process of reaching agreement on their tax liability.

Given the emphasis on shortterm monetary fine-tuning. a : £300m shortfall on corporation tax would represent an naacceptably high margin of error. This underlines the efforts of the Inland Revenue over the last two years to provide a better forecasting model. The key problem of the nid model: was that it used simple aggregates for the inputs. With the growth in capital allowances and stock relief over the 1970s the extent of overlap between allowances became a major uninvestigated element. In 1977-1978 corporation tax was under-estimated by more than £700m because of this. While the disaggregated model is undoubtedly an improvement it still leaves a large untamed variable in the shape of group relief; which is probably worth some £3bn out of total relief

New issues

Despite the surge of rights issues in the second quarter, 1979 turns out to have been a dull year for new issues on the stock market. The Midland Bank's survey, which either through tact or wishful thinking ignores the Government's offerings, shows a fall in new issue volume to £967m from just over £1bn in 1978 and £1.5bn in 1977. All these figures are a far cry from the £384m—in real money —that was raised in 1920, before the Government Broker became so demanding.

The 1979 figures are heavily influenced by a sharp decline in local anthority stock and bond issues, from £330m in 1978 to only £80m. Local authority treasurers seem to have postponed new issues on the view that interest - rates were destined to fall over the course of the year, and resorted in-stead to their bankers and the Public Works Loan Board-not on the ground are that January to mention all that leasing of

welcome relief for the rest of sympathetic to company loan minary results, on a very strong the world's computer industry.

So although the equity market. If 1980 sees a revival in equity prices there will no doubt be a faithe market to rebuild their to mean that IBM will report its panies will still be tempted to balance-sheets

Soames accused of election bias

BY QUENTIN PEEL IN SALISBURY

BOTH wings of the Patriotic Froot launched strong attacks confident that some compromise yesterday on Britain's adminimish be possible. stration of the ceasefire and election process in Rhodesia. They called for postponement of the February 27-29 election and tomorrow's ceasefire dead-

Front accused Rhodesian police, now under the authorily of Lord Soames, the British Governor, of harassing guerrillas.

It claimed that Rhodesian paign on Sunday.

It forces—supposediy The heightened auxilliary forces—supposedly monitored under the ceasefire activity comes wher the five-dayagreement—are being allowed to roam freely and to intimidate

Launching the sharpest attack guerrillas in their prescribed to date on Lord Soames' administration. ZANU officials announced that Mr. Robert Mugabe would by to Salisbury on Saiurday to decide bow to react to the alleged blas of the Covernor's rule. Covernor's rule.

overnor's rule. tioued to report "deliberate Mr. Enos Nkala, treasurer and acts of violence, theft and acting president of ZANU (PF) intimidation," blaming the —sald that if Lord Soames Patriotic Front. British officials refused to respond to the said ten guerrillas and five request for a delay of the dead- members of the Rhodesian forces line, he would be to blame if bave been killed in clasbes. the ceasefire broke down. The Patriotic Front claimed British officials insist that that auxiliary forces loyal to

there is no likelihood of either Bishop Muzorewa, estimated at the election dates or the Friday :15,000 to 20,000, were roaming midnight deadline for guerrillas through tribal trust lands, unto report to assembly places, monitored by Commonwealth being postponed.

BY DAVID HOUSEGO

poll on January 6.

stituencies today, with the rest

of the electorate going to the

The election, the seventh

since independence, is expected

to leave Mrs. Gandhi as leader

of the largest party in the par-liament, and possibly with an

overall majority. Only three

years ago her Congress govern-ment was overwbelmingly re-jected by an electorate indignant at the abuse of power

The mid-term poll was caused

1977 and the refusal of

hy the break up of the Janata Party coalition that had ruled

President Sanjiva Reddy to allow the new Janats party

leader, Mr. Jagjivan Ram, to

try to form a new government hy seeking fresh Parliamentary

Mr. Ram is from the Harljan

under her emergency rule.

to develop Europe's missiles

By Michael Donne, But the Front still sounded

A MAJOR European guided weapons manufacturing con-sortium, to ondertake initially a new anti-tank missile ven-Mr. Mugabe's return, a day before Zapu's Mr. Joshua Nkomo marks the week-end as ture but later other missile the effective start-to the election campaign for the three major programmes, has been act up by the UK, France and West Germany. Bishop Abel Muzorewa. Prime

Minister of the outgoing govern-ment, will launch the United The new group, Enromissile Dynamics (EMDG), will bring together the re-sources of the Dynamics Group of British Aerospace. African National Council cam-Aérospatiale of France and Messerschmitt-Bolkow-Blnhm old cease-fire is still in the balance. British officials re-

of West Germany.
The members of the group will retain their independent activities in other pro-grammes, which include guided weapons of all kinds, and space research.

The objective of EMDG is ensure that wasteful, duplication in developing anti-tank guided weapons for NATO is avnided.

gressively, other guided wespons juintly undertaken in Western Enrope should be channelled through the new

One example is the Anti-Ship Euromissile (ASEM), on which all three companies are already working. This will be absorbed by the new group as soon as practicable. The supervisory board of the consortium will comprise the chief executives of the constituent companies Mr. G. R. Jefferson, chairman of the British Aerospace Dynamics Group; M. Michel Allier,

chief executive of Aéro-spatiale's Engins Tactiques division; and Herr-Gunther Kuhlo, chief executive of MBB Unternehmensbereich. The UK, French and West German governments are close to placing an initial feasibility study with the group for medium and longanti-tank guided

The French and German members set np a joint com-pany, Euromissile, several years ago to produce shortrange battlefield gulded weapons, including the Hot anti-tank missile, the Milan man-carried anti-tank missile, and the Roland mobile anti-aircraft missile system.

ing out the promise of stable and strong government. Both Mr. Jagjivan Ram and the caretaker Prime Minister, Mr. Charan Singh, have declared that a victory for Mrs. Gandhi Work on these programmes will be continued indepenwould mean the retorn of authoritarian rule. dently by Euromissile. Simi-larly, British Aerospace Dyna-mics Group will continue its Some 360m out of India's 600m population are entitled to independent missile activities. vote in the two-day poll, though because of political apathy and

These include the Seawolf anti-missile missile system. the Swingfire long-range antitank weapons system, and the Rapier naval missile system.

Generals warn Turkish parties

BY METIN MUNIR IN ANKARA

THE TURKISH ARMY has the generals warned. issued a stiff warning to the country's political parties, criticularly's political parties, criticularly submitted to Mr. Fahri Kurucising them for squabbling and turk, President, eight days ago, urging them to reach a consigned by General Evren and the four service commanders.

The generals warning, entitled "the view of the Turkish armed forces," was read over the State-controlled Turkish radio at noon yesterday. The generals did not state what they would do if the parties did not co-operate to extricate Turkey from what General Kenan Evren, the Chief of Staff, has described as the gravest crisis in Turkey's 56 years as a republic.

The armed forces have intervened in polltics twice in the past two decades. Martial law is in force in the main cities and many observers expect the military to demand a more active role in running the country in the situation continues to deteriorate.

tions threatening to disrupt the fervour. country's integrity, which are flirting with secessionist and destructive groups and which hold irreconcilable positions

fuelled by sterile squabbling,"
There was a strong possibility of the Middle East erupting into war and at home "secessionists" -a term apparently referring to the Kurds—and terrorists were preparing for a general uprising,

lettre to the President in which the generals stressed that the measures un which consensus was desired should be taken "within the parliamentary democratic regime,"

Both were released after copies were handed to Mr. Suleyman Demirel, Prime Minister, and Mr. Bulent Ecevit main Opposition leader.

Mr. Koruturk consplcuously

did not invite the other party leaders, including Professor Necmettin Erbakan, the leader of the National Salvation Party (NSP), which espouses pro-Islamic views, and Mr. Alpars-lan Turkes, chairman of the ultra right-wing Nationalist Action Party (NAP).

and secessionism from propor- Iran which they support with Mr. Demirel looked sbaken

after his interview with the President, which must have filled him with a strong sense děja vu. He was forced to step down

as Prime Minister nine years ago following a similar, though tougher memorandum by the

Editorial comment, Page 12

Record year for airlines

Aerospace Correspondent

year were busier than ever before, carrying 745m passengers on scheduled services, or 10 per cent more than in 1978. It was one of the hest years for air travel growth in the decade — second only to 1978 when scheduled services grew by 11 per cent

carried around 100m passenge

last year.

The ICAO reports a substatial number of non-schedule passengers, on holiday, chart

varied nature, much of which is not reported to the ICAO the same way as schedule

scheduled-service traffic, and believed to amount world-wid-to - several hundred - millio passengers a year.

have exceeded 1bn passenge of all kinds. Much of this traff originated in the Third World Air cargo traffic also con tinued to grow during 1979. I 6 per cent to a total of 11.27 freight-tonnes carried, while a mail expanded by 3 per cent t just under 3.4m toune-kilometri

was rathar lower than the average 8 per cent expansion recorded in previous years. Air mail maintained the same rate of growth as in 1978.

in W. Cold everywhere. London, S.E., E., Cent. N., N.E. England, Midlands, E. Anglia-Fog patches clearing alowly, frost persisting in places, dry, sunny. Max. 2C (36F).
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Dry, hazy sunshine.
Outlook: Dry in N.E., rain, sleet or snow in S. and E. Cold with frost

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Afghanistan rebel groups bave joined forces weakened, might suffer further, in Takhan

(untoucbable) community. His of voters polled.

in places cannot be confirmed. wholesale defections to the The Soviet commander in rebel side. fghanistan has ordered the effective arrest of most of the Afghan army, according to persistent reports reaching the Pakistani border.

One detailed report by Pakistani Observers confirmed rehel claims that the number disinclude two armoured divisions, eighth Kharga division, one other division, and two com-

mando battalions. The absence of Afghan troops from the streets of Kabul tends Afghan Army were engaged in to confirm this. It indicates widespread opposition to the Soviet invasion and fear on the part of the USSR that the clashes in Kunar province and armv.

Continued from Page 1

Diplomats trying to piece together a picture of the Soviet battle for control of the rugged, mountainous areas outside Kabul are severely bampered by limited communications.

Casualty reports are virtually armed and confined to barracks Impossible to confirm. But esticould be as high as 70,000. They mates range from 250 Soviet troops kiled or wounded, to two locantry divisions, the nearly 2,000 casualties, according ot some Pakistani observers. Western diplomats believe the

latter estimate is too high. Both the Russians and the beavy fighting in the fight for Kabul. A number of Soviet troops have been killed in already a major engagement took place

province December 30 between the Soviet and the pro-Islamic rebels, in which several hundred rebels,

according

to unconfirmed President Babrak Karmal, installed by Soviet troopa at the beginning of the invasion on December 24, made his first appearance on Afghan television on Tuesday night; when the People's Democratic Party of

over 200 Red Army soldiers and

a Soviet general were killed,

Afghanistan was founded. He and his ministers bave not yet been sighted by foreign diplomats in Kabul, possibly because the entire Afghan Cabinet is said to be living in the Soviet embassy, under the protection of beavily armed Soviet troops,

By Michael Donne,

THE WORLD'S airlines last

The figures, compiled by the UN's International Civil Aviation Organisation (ICAO), include Aeroflot, the Soviet airline, but exclude China. Aeroflot is estimated to have

This latter figure is almo impossible to measure, because it comprises traffic of a wide

service traffic. It is estimated in some cou tries to exceed the volume

On that basis, total air trav throughout 1979 seems likely

The growth in freight, however, while higher than in 1978.

Weather

DRY and sunny in E., some rain

Cloudy, outbreaks of rain, sleet or snow. Max 3C (37F). Borders, Rest of Scotland, Orkney, Shetland

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